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SOCIAL JUSTICE

Father Coughlin's Weekly Review

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World's Wars Fought With "Fiction" Money

Farm and Labor Groups Seeking Social Justice

Dairy Farmers' Union in New York And Workers Council Strive to Effect Christian Principles

In the June 21st issue of **SOCIAL JUSTICE** Father Coughlin's program for Social Justice Councils was announced.

The first point in that program was **"To work for the unionization of labor and agriculture on a Christian basis."** Two movements, entirely divorced from the activity of Social Justice Councils—which still are in their period of organization and study—have sought to effect this principle of social solidarity.

Without any official approbation, so far as the Social Justice Councils are concerned, **SOCIAL JUSTICE** as a matter of news reports progress on these movements and commends the zeal for principle which has characterized these individual farmers and laborers in their undirected effort.

Dairy Farmers Form Union

In the great dairy country of northern New York, milk producers have formed a dairy farmers union, unassociated with any other organization. Led by Archie Wright of Ogdensburg, N. Y., they have developed one of the strongest movements in the economic history of agriculture.

The distributors, represented by the great trusts, which have spread themselves over the country under such names as Borden, National Dairies and Sheffield Farms, received favorable legislation from the New York legislature in a so-called marketing law which gave to the very enemies of the farmer the power to fix the price of milk.

Sheffield Farms closed its milk source in three northern counties of New York to discipline an arrogant farmer who would meet with his fellow farmers in a union.

The farmers have answered with an organization that has spread through the Empire State. The northern New York farmer used the strike as the only means at his command, and in the meantime sought other outlets for his product.

Cheese factories are being estab- contacts with the independ- distributors are being made, is unknown. The lethargic ed to action, are prov- only capable of likewise of s which an mands.

Thousands Join Workers Council

While the farmers of New York, independent of any Social Justice Council, are working out their economic destiny, a group of Detroit factory workers, also acting independently and upon their own responsibility, created a so-called Workers Council for Social Justice.

Without funds and without the organization staff which has heretofore been thought indispensible for union growth—with nothing more than a publication of its hope for **an honest labor movement based on Christian principles** — the infant union has gained a membership of some 9,000 workers in 16 states.

Mere publication of a principle of social justice, applied to labor, has been sufficient to attract both employers and labor to the support of a "union movement" that promised social justice for all; as contrasted with the class struggle between capital and labor which through the years has been attended by wasteful strikes, and whose hard-won gains are made ineffective by a manipulated dollar.

The further story of the progress of these two movements: the New York dairy farmers union, and the Workers Council for Social Justice, will be recounted in forthcoming editions of SOCIAL JUSTICE.

AN EDITORIAL

Open Season on Fr. Coughlin

WITH Father Coughlin safely distant—in England and France for a vacation visit—and with the time for his fall broadcasting season drawing near, a petty sniping from ambush is again under way in the American press, radio and public platform. It repeats the experience of Father Coughlin's last vacation absence; and it raises the natural question whether the same sources would have the temerity to "snipe" if Father Coughlin were within answering range.

Hearst Sunday newspapers, for example, used front page headlines to **DENY** that Father Coughlin had **"danced on shipboard with an actress."**

* * *

An editorial writer in the Detroit Free Press raises a question of Father Coughlin's "sanity." Dangerously near libel—regardless of whether its author were sober or financially responsible—the editorial was based ostensibly upon a two-paragraph bulletin by the Associated Press from London. This item purported to quote Father Coughlin as **praising England for not paying the war debt.**

The Associated Press item is so obviously distorted from the context of whatever Father Coughlin did say that no one in America can possibly rely upon the information. If the Associated Press coverage of Father Coughlin's remarks in London is no more accurate than its quotation of him in Detroit and Cleveland, such an incomplete cable is a mighty dangerous thing on which to risk an expensive libel action.

* * *

FATHER COUGHLIN'S comment on British war debts, and the iniquity of profit-bearing "bloody" bonds for destructive purposes, is familiar to all America. What Father Coughlin did say—and does say—about the British debt and all war bonds was covered in a story in **SOCIAL JUSTICE** only **LAST WEEK.** There are two more articles on the subject in the paper **THIS WEEK.** There will be another story on war debts **NEXT WEEK.** There has been something of the kind, expressing Father Coughlin's views on the money question, **EVERY WEEK** of the two years this paper has been published. **Neither the Associated Press nor the Detroit Free Press has ever quoted one of them.** Why then the "sniping" based on a garbled news dispatch from London?

* * *

But the "minnie ball" which whines farthest past the target was the gratuitous prophecy of Msgr. John A. Ryan of the Catholic University speaking out of turn for both Arch-

(Continued on Page 16)

Not Enough Gold to Pay the Interest

Nations Create Credit To Wage Wars, Then Repudiate Unpayable Debt Afterwards

IF ONE had all the money in the world he could not pay the interest for a single year on the fictional war debts of $311-billion. There is scarcely $20-billion worth of gold in all the world, and yet the nations' war debts are all contracted in gold.

The story of how Lord Reading for England signed promises to repay in gold four times as much gold as England had is told on Page 7 of **SOCIAL JUSTICE** today.

The plain truth concerning government debt is seldom faced by any newspaper editor. For example, in 1913 the debts of the 53 nations directly or indirectly affected commercially by the outbreak of war totaled some $43,200,000,000. A tremendous burden of wartime tax followed the burden of this debt.

Despite the high taxes, the 1919 debt of these same 53 nations was **$354,100,000,000!** Consequently a partial cost of the World War must be accepted as at least $311-billions, the increase in the national debts of the nations involved.

Debt Wiped Out But Not Paid

In 1926 the debts of these nations amounted to only $112-billion contrasted to a $354-billion debt seven years before. Thus seemingly $242-billion of the debts of nations was wiped out in the seven years following the treaty of Versailles.

Yet this $242-billion of debt reduction does not represent payment of the debt. **There was not that much money in all the world and there never has been that amount of money.**

Germany combined hard work, honest toil and conscientious production, as well as the way of the printing press, to wipe out $70-billion of her debts.

(Continued on Page 10)

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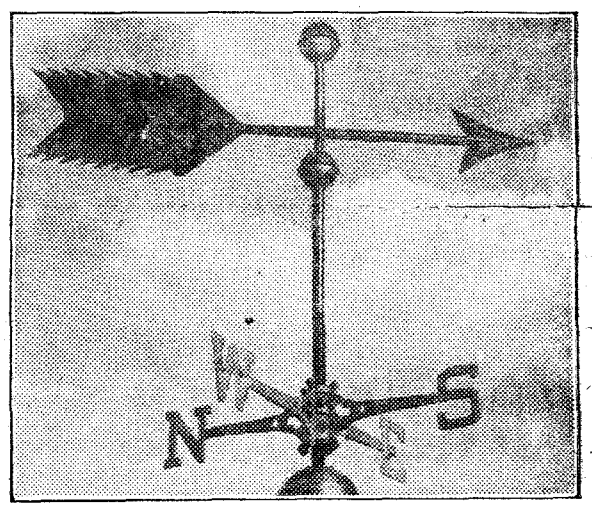

THE INDICATOR

"Capital Cannot Do Without Labor, Nor Labor Without Capital"

"Universal experience teaches us that no nation has ever yet risen from want and poverty to a better and loftier station without the unremitting toil of all its citizens, both employers and employed."

IN THESE words Pope Pius XI enunciates a fundamental principle of human nature, the violation of which is at the root of the deepening confusion of all society and government.

* * *

The world today is deadlocked in a struggle, seemingly to the death, between the capitalist and the laboring classes. The master and the workingman are at odds. The one is determined to subdue and subjugate the other.

It is reasonable to suppose that as long as the social struggle takes such a course, the result can only be a progressive degradation of both classes.

* * *

Why should that be so? Simply because the principle enunciated by the Pope has its very foundation in human nature and, because it is so founded, is inescapably a manifestation of the transcendent economy of creation.

* * *

All men are not created equal. Nature and nature's God did not so ordain.

Some men are born to rule—not by any explicit dispensation according to the ancient fallacy of the divine right of kings —but they are born to rule by the natural right of possessing the unusual gifts of leadership, management and judgment.

* * *

The divine economy of nature provided that certain individuals should correlate and manage the activities of their fellowmen.

The guillotine can destroy such men but no lethal instrument in the hands of emotionalized, revolutionary masses can destroy the eternal law which reproduces such men in each successive generation.

* * *

Such men will run the affairs of the human race until doomsday, in spite of demagogues and in spite of the aggregations of failures and misfits who rise in the might of the sword or of the ballot to wipe them from the face of the earth.

* * *

In such individuals is found the combination of intellectual abilities and emotional or moral forcefulness which virtually drives them into positions of control.

Brilliance alone does not make a leader. Only those command who have that something which urges them to use their gifts to the end that order may exist, that forces may be unified for the production of commodities and wealth, that men may better overcome the constant antagonism of their environment.

* * *

Such men will ever rule their fellowmen whether they choose the arena of politics or business, whether in a democracy, an absolute autocracy or an autocracy by dictatorship.

* * *

IT IS Pope Pius' teaching that such men, since they are endowed with gifts of leadership by the very dispensation of the Creator, are valued assets of the human race.

* * *

The masses must work to sustain life, to procreate their species, fulfil all the instinctive or natural demands implanted in their natures by the economy of creation.

Because, obviously, all men are not equally endowed, most men must be directed in the common human struggle to work out humanity's destiny.

The lack of vision, of imagination, of initiative so commonly recognized as characterizing the great masses of the people, cries out for the guiding influence of superior types—men endowed with the qualities and the spirit of leadership.

* * *

The classes, so-called — the leaders and the followers, the capitalist and the laborer, the gifted and the average man—were designed to serve one another, to co-operate one with another.

That need for co-operation between the classes of mankind seems an essential phase of the very economy of creation.

* * *

Pope Pius enunciates the principle of the co-operation of the classes as a fundamental prerequisite of orderly human relations—the **sine qua non** of true social justice.

History supports his argument. Therefore he pronounces the great principle in terms of historical fact.

"Universal experience teaches us," he says, "that no nation has ever yet risen from want and poverty to a better and loftier station without the unremitting toil of all its citizens, **both employers and employed.**"

* * *

Through this trend of reasoning, based on the obvious nature of man and on the seeming intent of the Creator, Pope Pius arrives at the point in his encyclical where he can pour all the experience of mankind, all the wisdom of the ages, all the authority of religion into one short unequivocal sentence, which he quotes from Leo XIII:

"Capital cannot do without labor, nor labor without capital."

IT IS the part of the leader to truly lead; it is the part of the follower to truly follow. The salvation of both classes depends upon their co-operation.

If in the past capital has forgotten its responsibility to lead for the common good and has used its superior endowment by nature to subjugate rather than uplift mankind, the present state of the world is ample proof of the fatal consequences of unbalancing the true economy of creation.

* * *

Where, then, is the wisdom of going to the opposite extreme which seems to be the modern order of the day?

For the downtrodden masses there is no release from their degradation, their poverty, their despair in revenging themselves against the so-called capitalist class.

Revenge would merely be the overbalancing of the opposite arm of the scale.

* * *

Co-operation between the classes is the great need of man, according to the Pope. "Capital cannot do without labor, nor labor without capital."

In all the long course of human history, according to the Pope, no people has ever lifted itself to a higher level unless all classes sincerely worked with one another.

* * *

Only men endowed with the rare gifts of leadership can correlate the complex activities of men and women upon which the comforts and advantages of our present civilization depend.

* * *

The "economic royalists" of modern America may be as ruthless, as pleasure bent, as contemptuous of their fellowmen as the Bourbons of 18th century France (although the facts deny such an assertion).

Our "royalist" capitalists at least differ in one extremely significant respect from those royalists who surrounded King Louis XVI.

Their "royalty" is founded upon enterprises which presuppose unusual abilities on the part of the management and which provide a reasonably comfortable livelihood for millions of their fellowmen.

* * *

Should the American masses destroy them, as the French people did the Bourbons, the affairs of the average man would suffer irreparably.

The reform of the evils of today, therefore, **will never be accomplished by promoting hatred between the classes.**

* * *

Demagoguery is not what [illegible] has been waiting for.

"Capital cannot do without labor, nor labor without capital."

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Message to Councils

Principle No. I: "Liberty of Conscience and Education"

This and subsequent messages to Social Justice Councils will progressively develop, in brief form, the practical application of the sixteen points of social justice so that the advantages to their supporters may be more readily appreciated.

Every citizen of the United States can profit personally from the realization of this program. Therefore, if from no more than a selfish standpoint you become active in the promotion of social justice, you cannot help but fulfill the divine command of loving your neighbor as yourself and thereby function as a member of the mystical body of Christ.

The sixteen principles of social justice are established upon the following preamble, namely, that we are creatures of a beneficent God, made to love and to serve Him in this world and to enjoy Him forever in the next; that all this world's wealth of field, of forest, of mine and of river has been bestowed upon us by a kind Father, therefore we believe that wealth, as we know it, originates from natural resources and from the labor which the children of God expend upon these resources. It is all ours except for the harsh, cruel and grasping ways of wicked men who first concentrated wealth into the hands of a few, then dominated states, and finally commenced to pit state against state in the frightful catastrophe of commercial warfare.

Appropriately, therefore, following this preamble the first of the sixteen principles is **"Liberty of conscience and education."** This means that you will allow the state to dictate neither your worship to your God nor your chosen avocation in life.

* *

This point, in many cases, may be passed over hurriedly and accepted without due thought merely because we are satisfied that freedom of conscience and education is guaranteed by the Constitution of the United States. Through insidious means, however, even these liberties are being threatened.

In the words of Pope Pius XI, "it may be said with all truth that nowadays the conditions of social and economic life are such that vast multitudes of men can only with great difficulty pay attention to that one thing necessary, namely, their eternal salvation."

The pressing economic conditions under which we live, due to the concentration of wealth in the hands of a few, cause men and women to encounter temptations that never before confronted thousands of them so forcefully—temptations to embezzle, to steal, to take unfair advantage of a competitor, to practice birth control and so forth.

On the other hand, the worry and strain of trying to provide a livelihood for himself and his family so absorbs a a man's mind that practically no time whatsoever is given to the worship of God or to things that pertain to eternal salvation. Thus the resistance to temptation is weakened and man stands in greater danger of losing his soul.

In a most emphatic manner, therefore, does the meaning of the words of the gospel impress itself upon us: "Seek ye first the kingdom of God and His justice and all these things will be added unto you."

* * *

In order that we may mutually understand what is meant by Christian justice, we shall quote St. Thomas of Aquin who tells us that "justice is that perfection of man's will which inclines him at all times to desire the good of the society of which he is a part and also that each should have what is his due."

Worried and badgered by the difficulties of securing a livelihood, because of the private control of money, 95 per cent of our citizens, the laboring population, are being deliberately deprived of the liberty of conscience which it is necessary for them to exercise in order to seek first the kingdom of God and His justice without which all these things, clothing, food and shelter will not be added unto them.

Therefore, in conformity with the natural law and from a practical viewpoint it is necessary to offer to Almighty God the worship due Him and it is likewise necessary to seek justice in order to preserve the unimpeded exercise of the inalienable right of liberty of conscience.

The citizens of Russia have forfeited the privilege to worship God as they please. Because they neglected to seek the justice of God these people became complete victims of an erroneous economic regime. In other nations this liberty of conscience is being threatened. God forbid that through apathy and indifference to His teachings on justice Americans will ever be forced to relinquish this keystone principle of liberty!

* * *

Liberty of education, as liberty of conscience, we accept as a matter of course. How few appreciate the innumerable struggles that preceded the establishment of this cardinal principle of American life!

Who will contradict the observation of the well-known French writer, Rene Bazin, that the bitterest and most decisive battle for control of a nation is not waged in the field of economics, but in the field of teaching and education?

It is apparent that there are three parts to the perfect man, his body, his mind and his soul. If any one of these is developed at the exclusion of any other, you have a misfit. Liberty of education presupposes that all three phases will be developed simultaneously toward the ultimate goal of perfection.

Atheistic education that denies our young people the development of their spiritual qualities is depriving the future captains of the ship of state the guidance of the compass of Christian principles. It is sending out misfits to be leaders.

Today we find the publication of our text books supervised by utility monopolies and bankers; our universities endowed by funds from usurious sources and our campuses infiltrated with communistic influences. The usurpation of our educational system by the concentrators of wealth is just another instance of the way in which our citizens are being unwittingly lulled into non-resistance to their control. The influence of their philosophy of atheistic rugged individualism so fills the halls of learning that it is difficult for a person coming in constant contact with it to escape its telling mark and carrying into the everyday walks of life the distorted impression. The press and literature of the day give testimony to the fact that the money controllers are succeeding in withholding the whole truth and in filling the pages of our publications with beclouding half-truths and erroneous philosophies. Their usurious profits were well invested.

Likewise through their private control of wealth they are able to determine when and under what conditions men will work. Who will deny that through their manpulation of money, as manifested in the depression following 1929, they did not play a major part in the avocations of our youth? The responsibility for this condition rests with the state that permits a few men to so influence and govern the lives of its citizens.

In conclusion, therefore, this first principle of social justice may be expressed concretely in the following words:

To practice the principles of the brotherhood of man under the principle of the fatherhood of God and to profess both by word and by deed the divinity of Jesus Christ; to cherish an educational system free from the errors of radicalism and fadism; to restore the ideals of the Christian family in a society now sadly debased by yellow journalism, pornographic literature, lewd entertainment and atheistic intellectualism all of which are breeders of flagrant crime, all of which are insidiously depriving men of liberty of conscience and of education.

Councils Not Back of Any Candidates

Social Justice Councils **are in no way interested in the campaign of any political candidates.**

Miles C. Hayes, national co-ordinator of Social Justice Councils in New England, has issued a statement to press and radio news service in contradiction to reports that Dr. Fred G. Bushold of Lawrence, Mass., is "supported by Father Coughlin and Social Justice Councils." Dr. Bushold is a candidate on the Union party ticket for the seat in the seventh congressional district of Massachusetts left vacant by the death of Congressman William P. Connery of Lynn, Mass.

"Father Coughlin was never a supporter of the Union party or any other party," says Mr. Hayes' statement. "Candidates in various political parties did receive his endorsement and support in the 1936 campaign.

"Social Justice Councils have **no** political candidates and are in no way interested in political parties. These councils were organized solely to promote a positive program of Christian social justice, to fight the causes of Communism, and to bring about the enactment of social justice legislation by direct petition.

"Reports, therefore, that Social Justice Councils are backing any candidate for Congress are erroneous and without foundation of fact."

Social Justice Presents

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New readers, making their first acquaintance with **SOCIAL JUSTICE** after almost two years of publication as a national review, clamor for some of the richly-packed back copies which they have missed. Others, chancing upon some old edition of the paper, immediately demand the preceding or succeeding issues. These demands have long ago exhausted the supply of many informative editions.

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SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

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PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

Third Term

SOME one of these days the President should make an unmistakable announcement of his intentions to run or not to run in 1940.

There is a precedent, set by George Washington and strictly maintained since his time by the American people, that it is not in keeping with the republican ideal that any man should hold the highest office in the land for more than two terms.

Whoever sets himself against that tradition will face more than a political problem. He will expose himself to the unknown attitude of the American people on a subject that has far deeper implications than the merely economic and social problems of the day.

The man who chooses to run for a third term will declare himself a more self-sacrificing devotee of the supremacy of the people than even George Washington deemed himself to be.

In short, the man who wants a third term will expect the American people to consider him just a little less than Godlike.

For any mere politician to aspire so high is risky business. The American people still have their sense of humor. Their characteristic tendency is to laugh at men who take themselves too seriously.

Whatever their eventual decision might be, however, the question of a third term in the presidency for any man is so grave and so far-reaching in its consequences that the people have the plain right to be given plenty of time to ponder and discuss the shattering of our oldest tradition.

The President should immediately make his intentions known.

So many prominent personages, close to the President and known to be admitted to the intimate councils of the New Deal, have given the weight of their influence to the Roosevelt-for-third-term movement that the citizenry is beginning to wonder if it is not the President's own idea.

When Jim Farley, the political generalissimo of the New Deal, utters equivocal remarks about the continuing desirability of the President's leadership, the drive for the upsetting of Washington's precedent begins to assume an official character.

Ruminate upon doughty Jim's words, and see if you can make of them anything but a bid for at least seven more years of Roosevelt.

"This is a big country," said Jim, "and it needs a big leader with which to work out its destiny.

"The Democratic party is in power today because it was able to give the nation, in a time of crisis, a statesman whose political stature was equal to the tremendous duties and obligations which were thrust upon him."

It takes a long time for a nation to "work out its destiny"—perhaps the United States will not have completely worked it out by 1944.

Would Jim and the powerful Democratic party, in that case, insist upon a fourth term for Roosevelt?

This whole third term business, as you see, has tremendous implications. The people should have plenty of time to think it out.

If the President now believes that the country will need him after 1940, he should frankly say so now.

If he is not positive that he will be the man of destiny three years hence, he ought to put an end to the political trickery of sending up trial balloons to test out the public attitude on a third term.

If we are to have a man of destiny, he ought at least to be genuine.

Fair Play

IT IS intimated that the President will "sweep" the western states this fall and, in a series of nationally broadcast speeches, endeavor to revive the public's interest in his court-packing scheme.

One can readily understand how much a course of political addresses might adroitly be given the effect of a campaign against those members of Congress who opposed the President in his effort to subvert the Supreme Court.

The 1938 Congressional elections are of overwhelming importance to the New Deal.

Should the elections result in a Democratic landslide comparable to that of 1936, the President will construe it as a mandate to pack the Supreme Court.

Should the people send back fewer Democrats than now sit in Congress, the mandate idea will not be convincing.

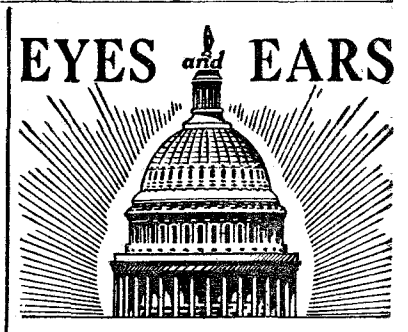
The New Dealers are particularly interested in defeating the oustanding opponents of the court-packing scheme.

Knowing this, Senator Wheeler and his associates in the opposition are reported to be planning a counter-sweep of the west to defend themselves against the President.

It is a matter of mere good sportsmanship for the people to hear these defenders of the Constitution as patiently and as attentively as they do the Chief Executive.

We are willing to predict that those who follow closely the speeches of Wheeler, Burke, McCarran, O'Mahoney and the rest will hear things that will open their patriotic eyes. The sweep of the west will clean up more than is generally anticipated.

EYES and EARS



THE only remarkable aspect of the President's Labor Day message, we are told, was its character of strict neutrality, as some called it, or strict fence-straddling as others described it.

Careful thought, however, will reveal that there was something else in the message far more significant than an index to the President's progressive state of bias.

There is something in the following excerpt from the presidential "non-commitment" which probably not more than one in every one hundred Americans noticed or bothered to ponder upon. Yet it points a direct finger to the fallacy which is the foundation of the New Deal.

If you ever meditate, apply a little meditation to these carefully prepared words of our chief executive:

> **"The government has committed itself to a very definite program in the advancement of the economic, industrial and spiritual welfare of our people. Our aim has been the advancement of human progress with industrial progress. We have attempted to create work security with reasonable wages and humane conditions of employment; to provide better houses and bring to the family life of our country new comforts and a greater happiness.**
>
> **"We are determined to carry on for the attainment of this objective."**

The key to the demagoguery of this pronouncement and to the fundamental fallacy of the New Deal is that sentence:

"Our aim has been the advancement of human progress with industrial progress."

* * *

No government on the face of the earth can advance human progress.

Humanity itself alone can do that.

Human progress is nothing more nor less than the sum total of the progress that is made painfully and thoughtfully by individual human beings.

It would be a telling reply to the President to advise him that at the greatest periods of progress in the annals of human affairs, even in this country, government was taken care of by the people, not the people by the government.

Which is simply another way of saying what the greatest American exponent of democratic government, Thomas Jefferson, said:

> **"That government governs best which governs least."**

(Continued on Page 10)

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Censures Employers Who Prevent Reading Of Pope's Encyclicals

From The Echo Buffalo, N. Y.:

Years ago the Rev. Prior Vincent McNabb, the well-known English Dominican, in commenting on Pope Leo XIII's Encyclical "Rerum Novarum," said:

"From the moment of its publication this letter of the Father of Christendom became little more than a dead letter. Its carefully worded condemnation of the error of a group of Socialists was used by politicians to mask their own flagrant breach of the whole spirit of the encyclical. They pointed to the Pope's condemnation of those who deny the right of property. Yet they did not point out that this right of property is mortally wounded in a state of things wherein **'a smaller number of rich men have been able to lay upon the teeming masses of the laboring poor a yoke little better than that of slavery itself.'"**

In the course of years Father McNabb has lost none of his intellectual vigor, and so we will find him discussing papal social encyclicals with characteristic frankness and effectiveness. One of his recent contributions (London, England, "Catholic Herald," April 23, 1937) singles out the following striking passage from Pope Pius XI's Encyclical on "Atheistic Communism":

Prevent Reading Letter in Churches

"We turn again in a special way to you, Christian employers and industrialists, whose problem is often so difficult, for the reason that you are saddled with the heavy heritage of an unjust economic regime whose ruinous influence has been felt through many generations.

"We bid you be mindful of your responsibility.

"It is unfortunately true that the manner of acting in certain Catholic circles has done much to shake the faith of the working-classes in the religion of Jesus Christ.

"These groups have refused to understand that Christian charity demands the recognition of certain rights due to the working-man which the Church has explicitly acknowledged.

"What is to be thought of the action of those Catholic employers who in one place succeeded in preventing the reading of our Encyclical Quadragesimo Anno in their churches?"

These passages, particularly the last paragraph, may have escaped even the critical reader of the Encyclical on "Atheistic Communism," although they are to be found in the complete Official Vatican English Text as distributed by the N. C. W. C. News Service.

Pope's Charge Is Startling

Father McNabb's comment on the passages cited is as follows:

"The present writer, whose memory goes back over 60 years of encyclicals, can remember no papal statement of such tragic outspokenness.

"As we are now assured of the truth of the statement on the official word of a Pope, what would working-men and the friends of working-men have thought if it had been true and had been kept out of all papal documents?

"Again, what would have been thought if any Catholic writer, lay or cleric, had written: 'We know of some Catholic employers who have succeeded in preventing the Encyclical "Quadragesimo Anno" from being read in Catholic churches?

"Such a statement would have been so grave an indictment not only of the laity bringing the pressure and of the clergy yielding to the pressure that the writer of the statement could hardly have complained if he had found himself in the civil or the ecclesiastical courts.

Cites Pressure on Clergymen

"The mention of pressure leads to the disquieting question: **'What was the nature of this lay pressure which resulted in the ecclesiastics not obeying their highest ecclesiastical superior?'**

"It could not have been merely moral pressure. The alternative can be only material and financial pressure. But this alternative later in the Holy Father's strong word opens up so many further alternatives and questions that in our ignorance and bewilderment we feel they can be answered only by the same supreme authority whose words have occasioned them.

"The Holy Father's words are therefore such a grave charge against the Church's two estates, cleric and lay that had it been first made, not by a Pope but, say a Protestant or a Communist, a Catholic Evidence Guild lecturer would have felt bound to refute it.

"Much and not too much has been written about the crime of the men and women whose blinded social fervor has burned the churches. Yet who is competent to judge whether their guilt is greater than that of a group whom our Holy Father has had to condemn for having succeeded in silencing his voice in churches."

Archbishop Appoints Priests as Mediators

From Catholic Daily Tribune:

Archbishop John T. McNicholas of Cincinnati in a letter to his clergy explains why he appointed a committee of priests "to stand by and be helpful in industrial disputes." The archbishop's letter follows:

"Forty-six years ago, Pope Leo XIII, addressing the world on the condition of labor, said: 'Every minister of holy religion must throw into the conflict all the energy of his mind and all the strength of his endurance.'

Capitalists Need Education

"Forty years later, Pope Pius XI said: 'Let all men of good will stand united. Let all those who, under the pastors of the Church, wish to fight this good and peaceful fight of Christ, as far as talents, powers and station allow, strive to play their part in the Christian renewal of human society.'

"A great struggle is going on in our country today. It seems next to impossible to change the outlook on life of industrialists and capitalists who have believed in economic slavery.

"They cannot understand that capital is entitled to a fair return on its investment and nothing more. To speak of fundamental justice and of the dignity of human nature and of human labor is simply to speak a language they do not understand. They do not accept fixed and immutable principles of justice. Good business to them means accumulating as much money as one can and the acquiring of that power which comes with money.

"Labor is beginning to gain strength. It lacks, however, that leadership which can inspire a general confidence in its objectives and in its conduct. It must be realized that public opinion is too slow in condemning tactics and abuses of labor organizations which must ultimately hurt the cause of the working man.

"It is most important that labor get a fair hearing so as to put an end to econmic slavery; also that labor organizations be everywhere formed, and that men who toil should be guided by informed, honest and sane leaders for the common good of laboring groups in their respective localities.

Labor Needs Trusted Leaders

"All who have the good of society at heart should do what is humanly possible to form a sane public opinion on the functions of government. **We are becoming without realizing it, a totalitarian state.** We are talking much about the liberties of men while, at the same time, government is stealing the freedom of the sons of God that is their inalienable right by nature and by nature's laws.

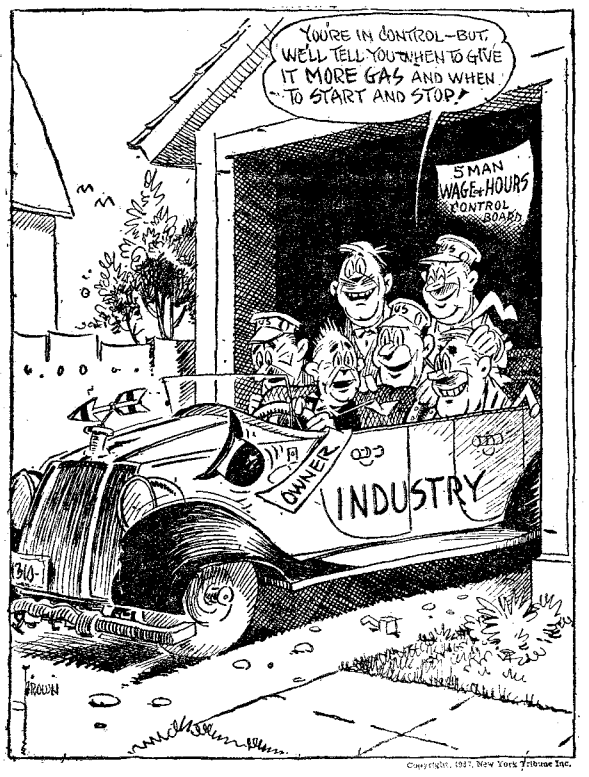
"Capital and labor should resolve to become friends. They should insist that there be no totalitarian state in America and that governmental extravagance in city, state and nation should cease.

"Taxation has now become a moral question. It is borne almost entirely by the poor man and laboring man, who is literally betrayed by legislators and executives who are imposing invisible taxes upon him.

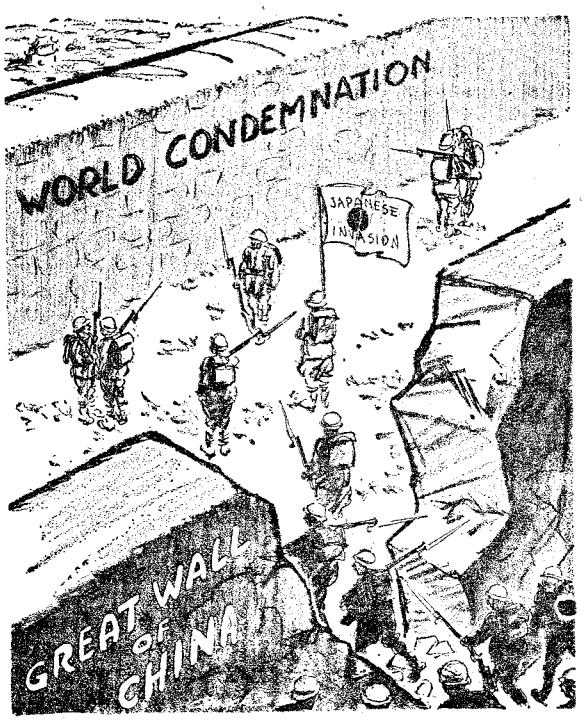
"It is our special duty to assist in whatever measure we can the poor and laboring classes. We hereby appoint a group of priests to stand by, ready at any call to assist labor, to be helpful in industrial disputes, in a word, to do all they can in giving sane direction to laboring groups."

NEWS CARTOONS OF THE WEEK

"And How Many Others?"
—Ross Lewis in Milwaukee Journal.


YOU'RE IN CONTROL—BUT WE'LL TELL YOU WHEN TO GIVE IT MORE GAS AND WHEN TO START AND STOP!
5 MAN WAGE & HOURS CONTROL BOARD
OWNER
INDUSTRY
BROWN

"Driving From the Back Seat"
—Brown in New York Tribune.



"Facing Another Great Wall"
—The Christian Science Monitor.

Tender-Hearted"
—Hutton in Philadelphia Inquirer.

Saskatchewan Club Studies Social Justice

"A small group of unemployed men of the laboring class began, under direction, to study and read, in the fall of 1936, in Sacred Heart parish, Regina, Saskatchewan," writes Rev. J. C. Keohan, the pastor, in the current September issue of "The Christian Front." "This small group christened themselves the 'Christian Front,' and became fired with zeal to become propagandists in the field of social education.

"They laid the foundation for a back to the land movement which has excited the interest of the government and promises to bear real fruit in the near future. Recently, they presented a brief to the Minimum Wage Board of the Saskatchewan province, and to the Law Amendment Committee of our provincial legislature, expounding the principles of the rights of the working men to his own associations, as outlined by the Holy Father, and of the family wage, thus exciting a great deal of comment from the members of the legislature, many of when openly confessed they had never heard of such a thing as the family wage before.

"Possibly what we have accomplished is not as great as it sounds," Father Keohan writes. "However, in my opinion, it has proved one thing: any fundamental change must come from the masses. We are asking ourselves just what can we do? Preaching against Communism and doing nothing else merely advertises it. Action, not words, defeats Communism. In the working classes, the priest will find the support and the enthusiasm for Catholic ideals that will by its very power and sincerity convert all . . . classes to our doctrine of social justice."

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Tax Probe Was Alibi For Budget Failure

Tax-Dodgers Woud Not Have been Criticized If Revenue Estimates Had Materialized

By Hon. Allen T. Treadway
Representative from Massachusetts

I will tell the gentleman why the tax avoidance measure came to us this session. The members of the House heard and read with great interest the address of the President of the United States on this subject in which he quoted verbatim at great length a letter from the Secretary of the Treasury to the effect that they had discovered something last March when the revenues failed to come up to their estimates.

They were too optimistic in making up their estimates last March with respect to the result of the taxing acts then on the statute books; so, being short and knowing that they would be criticized for overspending as they have been doing now for nearly five years, they laid down a smoke-screen to the effect that they had found something new in the way of tax avoidance.

Had it not been for the fact that the revenues last March failed to come up to the President's budget estimates, we might never have had this bill at all, and tax dodging would have continued unabated.

It was only at that time that the President gave any consideration to the subject. He was trying to find some excuse for the failure of his over-optimistic estimates. He had to blame someone, so he blamed it on the "malefactors of great wealth."

If tax avoidance was anything new, there might have been some basis for the President's effort to blame the practice for the deficiency in revenues. But, as a matter of actual fact, **it has been going on ever since the first income-tax law was written, and there was no tax-avoidance device pointed out in the President's message that had not been known to the Treasury Department for years.** Hence the failure to collect all taxes due was not a condition peculiar to the 1936 returns, as the President tried to intimate.

If the minimizing of a person's taxes is unethical and immoral as the President seems to feel, and everyone should contribute the highest amount of taxes possible, then I submit that every person who owns any tax-exempt bonds ought to pay into the Treasury conscious fund the amount of tax which he legally escapes.

According to a statement of the acting secretary of the Treasury Mr. Magill, there are now $64-billion of tax-exempt securities in existence. This represents from 20 to 25 per cent of our national wealth. Some $37,611,000,000 are wholly tax-exempt.

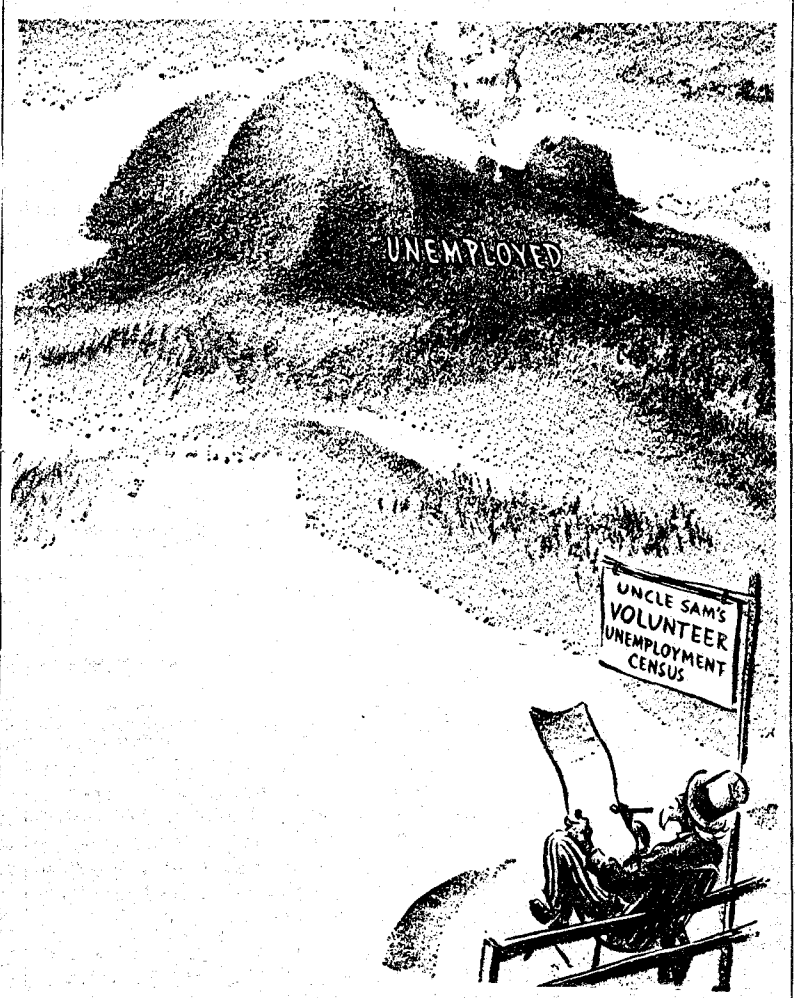
When we consider that nearly $38-billion of wholly tax-exempt securities are available for tax avoidance purposes it becomes apparent that the base of our federal revenue system is in jeopardy.

A 3 per cent return from tax exempts would yield the investor, under this law, a net earning three times as great as a 6 per cent return on a taxable investment held by a personal holding company.

It would require a constitutional amendment before these securities could be taxed on a reciprocal basis by the states and the federal government. The Secretary of the Treasury keeps on emphasizing that he is in favor of such an amendment, but every time a congressional committee indicates an intention of considering the subject the department steps in and says **"Not now! Not now!"**

Of course we know the reason for that. With the administration spending $2 for every $1 it collects in revenue it must continue to finance itself on borrowed money, and the Secretary of the Treasury wants to have a ready market for government bonds.

Everyone with any sense at all knows that there will never be any action taken on a constitutional amendment to tax these tax-exempt securities until the President puts such a measure on the "must" list. To date he has not done so.



Mahomet Sits Down to Wait for the Mountain
—Lewis in the Milwaukee Journal.

Five Years and Still No Census Of Unemployed

By Hon. Maury Maverick
Representative from Texas

Staggering in the dark, the government now for five years has failed to make any intelligent or accurate study of the actual status of destitution and unemployment with a view to an adequate, long-term policy and program.

Like blind hod carriers, we dump $2-billion down the unemployment chute alone a year. That's five hundred million every three months. All this money is spent without Congress or the people knowing what it is all about, where the money goes, or why.

In any form of government, democratic, Fascist, or Communist, this is simply governmental suicide. Are we to have the unemployed as the permanent wards of the government? Or will we put everybody back to work? No one knows.

To criticize the administration for giving aid to the unemployed is just noise. But to aid the administration to finding where the billions and billions are going, and how it is being spent is not noise, but an imperative next step.

The necessity for complete information is so transparently evident, that we should wait no longer. An unemployment commission should be created to determine the extent and nature of unemployment, rural and urban destitution and ill health and insecurity in youth and old age.

It would be studious, hard work for eight good men working together as a legislative - executive - citizens' national committee. It would make recommendations—among them the best method of relief, divisions of financial burdens as between governmental units, the working out of a permanent program of long-term relief and security, and the means of creating greater private employment.

Czechoslovakian Shoes Take America's Market

New England Industry Is Afraid of Increasing Amount of Shoes Imported from Europe

By Hon. John P. Higgins
Representative from Massachusetts

Like all Americans, New Englanders having the welfare of the country at heart, are anxious to expand our foreign trade. We recognize that such expansion inures to the economic and incidentally the social welfare of our citizens.

That principle is fundamental and forms a cornerstone of American economic life.

But, however anxious we may be to embrace an ideal program so far as foreign trade is concerned, **we cannot sit idly by and let ruinous competition from foreign countries imperil the life of our domestic industries.**

If we are to have a healthy foreign trade then we cannot have duty so high as to serve as a restriction, so that those to whom we sell will not be able to sell their own products in return to us. Yet, if our duties are too low, and quotas are correspondingly high, then they become too inviting and the products of foreign enterprise will drive local industry out with a consequence of increasing unemployment.

To illustrate a justifiable complaint against such reciprocal pacts we need only submit the plight of the boot and shoe industry in New England during the past few years.

Reciprocal trade agreements should not mean an increase of imported shoes from Czecho Slovakia from 150,000 pairs in 1935 to 990,000 pairs which were imported in 1936, and with every indication of the imports reaching the 3,000,000 mark in 1937.

Under such a condition, if allowed to continue, the jobs of many thousands of our citizens will be threatened. It is ironical for an administration that has taken upon itself the duty of raising the standards of living of the underprivileged and aiding to provide employment for its citizens should countenance the situation in the shoe industry.

It is a fundamental of economics that the producers of wealth are the consumers thereof, and if we produce shoes and textiles and other manufactures for the home market, we cannot permit ruinous foreign competition to enter that market, without restriction, without destroying ourselves as consumers.

Even to one who favors the proposed bill to regulate wages and hours of industry as a step in the right direction, there can be nothing but inconsistency **in raising direct costs at home on the one hand, and lowering the trade barriers by way of reciprocal trade agreements on the other hand.**

Now's the Time To Avoid War

By Hon. J. Hamilton Lewis
Senator from Illinois

The public press informs us of a very regretful and what appears to be a very serious situation in China as to Americans as well as to the world.

In a recent wireless message to the government we are informed from London that a combination policy will be maintained by the British government in collaboration with the United States as to China. As to Japan the open statement is made that the question of putting economic pressure on Japan is under consideration, but not until a "united front with the United States" is achieved.

I am moved to ask what is keeping our soldiers in China. Has it come to the point that there are those so audacious, whether in the Orient or in America, professing to be officers of the government of the United States, who have pledged to England that we will keep our soldiers in China that they may participate in any conflict which may be necessary with regard to maintaining the property of England situated in China?

We hope England will be able to keep her property, her rightful property, and protect her people; but we cannot understand why it should be even suggested that the troops of the United States be kept in China for the purpose of uniting with any troops of any foreign country, or to enter into conflict or possibly engage in China in the war strife between China and Japan.

Now is the time to take such steps as we find necesary to avoid ourselves being drawn into military confusion that may mean conflict for the United States.

House Averaged 4 Hours, Senate 3, for Sessions

For the 178 possible days of meeting during the first seven months of this congressional session, the Senate met on 110 (62 per cent) days, while the House met on 138 (82 per cent) of these days.

The average length of the House meetings was four hours, 17 minutes, and of the Senate, three hours, nine minutes. The July average of three hours, 53 minutes, in the Senate, was reduced by the death of Senator Robinson.

It was not uncommon, during the last session, to see only 50 or 60 members on the floor of the House, and only a half dozen Senators listening to the debate.

On one House bill the vote was 205 to 0—less than half the 435 members being present.

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Money Kings Are Makers of Wars

World War Fought With Fiction Loan

Great Britain Alone Has Promised to Repay In Gold Four Times As Much as She Has

SOCIAL JUSTICE herewith presents a fourth article in an interrupted series on international financiers and their war making. Of especially timely interest in this week's article is the brief discussion of the British war debt and the utter impossibility of ever fulfilling the terms of the loan when it was negotiated. A fifth and concluding article in the series will be printed in SOCIAL JUSTICE next week.

When it is considered that the international banking house of the Rothschilds controls most of the railroads in France and Hungary, as well as enormous industrial interests in Germany, Austria and England, worth several billions of dollars, and when it is further realized that all the huge financial resources of such firms as Bleichroeder, Kuhn, Loeb & Co., Mendelssohn, Ladenburg, Thalmann & Co., Holl-garten & Co., Spyer & Co., together with the Ginsberg group, have always been at the services of the same international money trust, working in full accord in all civilized countries, then the inference might be safely drawn that it would not be difficult for such a financial Colossus to place its hand upon the League of Nations, using its executive officers as mere dummies.

German Bankers As War Makers

A cable dispatch of the Wolff agency on the German situation, published in Paris on February 13, 1919, declared:

"The deputy Hyemann has revealed the curious fact that **the Bolshevist movement is supported by financiers.** The banker, Bleichroeder, has contributed two millions to the extremist journal."

Bleichroeder was one of the most powerful financiers in Germany.

An authoritative book, published in Europe shortly after the World War, contains the following very revealing paragraphs:

"The pro-war bankers of 1854 as well as those of 1914 originated in the banking center of Frankfort-on-Main in Germany, the birthplace of the Bethmann-Hollvegs, the Goldschmidts, the Seligmans, Jacob Schiff, and the Rothschilds.

"All the vast wealth of the banking house of the Rothschilds, amounting at the beginning of the war to some 20-billion francs, was made chiefly in war operations, war financing. The Rothschild brothers of the Central Empires have in fact sometimes **financed simultaneously rival groups of belligerants.**

"Frankfort-on-Main is, and has been for more than a hundred years, **the chief source of financial backing for wars.** Kings, emperors, and war ministers have had to await the pleasure of these bankers before issuing their ultimatums. . . . To these same sources may be traced the origin of the World War."

British War Loan Beyond Payment

When Great Britain went to war in 1913 there was about 200-million pounds ($1-billion) of legal tender money in that country, and the British national debt stood at about 650-million pounds ($32½-billion).

Lord Reading in the United States, signed **documents which pledged Great Britain to repay in gold on demand** a sum that eventually rose to more than 900-million pounds ($4½-billion)! Great Britain never, at any stage had possessed more than about $1-billion in gold, so that **the undertaking to which the British nation was pledged by Lord Reading was always wholly impossible of fulfilment!**

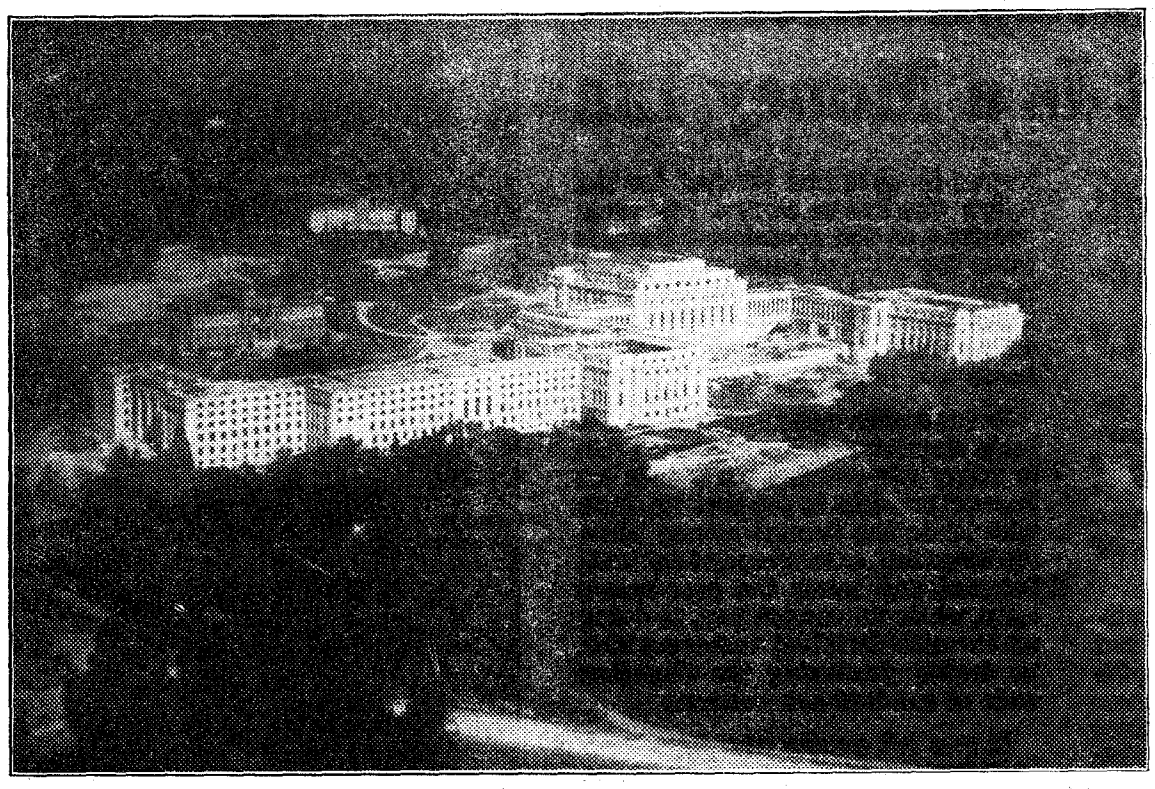
The European war was financed by the fictitious lending of 5-billion pounds of **completely non-existent money.** The bare-faced fraud of these proceedings was capped, after the war, by an audacious contraction of the means of payment, and the consequent wholesale wrecking of industries and reduction of millions of the people to destitution.

Small Group In Complete Control

A small group of international financiers controlled the three great events of the period—the European war, the overwhelming of imperial Christian Russia, and the post-war economic chaos.

Hovering in the background of these events four men are found—Schiff and Warburg in the United States, Sir Ernest Cassel in England, and Albert Ballin in Germany. The two former are seen dominating the financial policies of the United States, and standing close to the President's ear.

Internationalist Capital of the World



Variously referred to as a "British club." headquarters of the League of Nations at Geneva, takes as its first word — and the last — the orders of international financiers, whose strategies unmake kings, divide nations in civil wars, provoke "invasions," and manipulate world debts according to their own will. Airplane photo of the Geneva group by Ewing Galloway.

Those Emergency Dollars That Did Not Go to Spain

For many months, American societies have been soliciting dollars to aid this side or that in Spain. The money was to save the world from Fascism or it was to save us all from Communism. It was to put democracy back on its feet. It was to feed Spanish babies or it was to carry medical relief. Anyway, it was something in Spain.

Since the neutrality act went into effect, all soliciting organizations have been compelled to register and submit reports to the United States State Department. Twenty-three organizations have done so.

One, the American Committee for Spanish Relief of New York, took in $30,753.96, spent $25,793.72 on "administration and publicity," and **had $3,340.22 on hand** as of July 31. The American donors were apparently making nice jobs for somebody in that organization.

Central Spanish Relief Committee for Republican Spain of Washington, took in $11,832.56 **and sent none abroad;** Trade Union Relief for Spain of New York, took in $13,162.73 **and sent none;** Emergency Ambulance committee took in $16,373.11 **and sent none.**

This money, being for an emergeny, must have been collected quickly. Other organizations, some of them operating nationally, sent to Spain from one dollar out of every three to one dollar out of every two.

But one bright spot appears in the report to the State Department. The American League Against War and Fascism of New York, took in $584.65 and sent to Spain $584.65. Apparently this organization was naive, or the "take" was too small for the publicity boys to fool with.

To sum up: These 23 organizations collected $376,926.91, sent $139,193.40 to Spain, spent $124,986.97 on publicity and administration **and had $133,006.44 on hand for Christmas.**

"Why not call the thing Relief for American Promoters and Publicity Agents?" asks the Milwaukee Journal and adds: "It seems to be relieving bull throwers in this country before it reaches the Spanish toreadors."

THIS WEEK IN THE WORLD

Mexican Reds Beat Questioner

MEXICO CITY, MEXICO.—The prevalence of Communist agitation here was demonstrated at the National Autonomous University. One Senora Ana Reina, just returned from Moscow, was addressing the students. An attorney, Ruben Salazar Mallen, arose to ask further clarification of certain statements she had made about conditions in Soviet Russia. Instead of the speaker replying to the questions, a group of Communist "red shirts" escorted the attorney from the hall and severely beat him, shouting "Death to Reaction!" and "Down with Fascism!" A few days later, an alarm was caused in the university section by the staccato of gun fire. It was caused by the so-called Socialistic Youth Movement. The moral would seem to be **don't question Communist speakers.**

Soldiers Help German Harvest

BERLIN, GERMANY.—Germany's serious effort to stop any and all waste of national resources and crops were emphasized recently when the government jailed a farmer for failure to harvest his wheat and rye crops. The government has announced that harvest sabotage would not be tolerated. Germany has used soldiers and sailors to insure ample manpower for the harvest; 240,000 young men who have completed their six months in the labor service will continue on to help with the harvest.

All Big Powers For Hull Peace Except 'Allies'

Secretary of State Cordell Hull, on July 16, issued a statement that the road to peace lies "in respect for international treaties, the opening of trade channels by lowering commercial barriers, and the limitation of armaments." A month later, he had received the agreement of 52 nations of the world to his "fundamental principles."

Japan, China, Italy and Germany, four of the nations being watched most closely by nations wishing to preserve peace, all sent replies of praise for Secretary Hull's road to peace.

Japan, through its ambassador said:

"The Japanese government wishes to express its concurrence with the principles contained in the statement made by Secretary Hull concerning the maintenance of world peace. . . . The objectives of those principles will only be attained in their application to the far eastern situation, by a full recognition and practical consideration of the actual particular circumstances of that region."

China in endorsing these principles, expressed "full harmony with the views of the American government as set forth" in its statement.

Germany replied that its basic principle "coincides with the ideas developed by the Secretary of State."

Italy said it "regards with sympathy every initiative which tends to achieve that end by means of the limitation armaments, by means of economic understanding among nations, not intervention in the internal affairs of other countries, and any other means which may now or in the future appear responsive to the objective."

Replies favoring the Hull peace appeal also came from Canada, Spain, Egypt, Mexico, Irish Free State, Greece, Ecuador and Norway.

No statement came from Great Britain or France or Russia.

Appeal to Arab Terrorists

JERUSALEM, PALESTINE.—Following a two day wave of terrorism, which resulted in the death of four Arabs and three Jews, the Arab Higher Committee appealed to "the noble Arab nation" to exercise self-restraint. The outbreak is a result of the tense political developments following the British proposal to partition the Holy Land into sovereign Jewish and Arabian states with a British mandated territory in the middle. The proposal has satisfied neither the Arabs nor the Jews, each of whom feel that they are entitled to the entire territory. Several bombs have been exploded in the crowded market places of both Jewish and Arab quarters.

Russian Unions Due for Purge

MOSCOW, RUSSIA.—Soviet Russia's 22-million trade union members are chafing under the gross mismanagement that has attended the administration during the last few years. As a result, a union purge is expected similar to the party purge that Stalin made recently; 76,500 paid officials administer the rules and regulations and wages of the 22-million. It is charged that many of these officials did not even pretend to consult rank and file members.

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Is It Usury...

Indefinite Multiplication Of Profit Is a Money Lie

Modern Finance Built On World's Long Acceptance of Usury

HUMAN beings, ever since the invention of money, have discovered a water-tight way of enriching themselves, without necessarily making any addition to the general store of wealth. They farm their money out at interest.

To make any form of capital fruitful, there must be risk and a not fully predictable degree of immobilization. The modern lender of money will not take that risk, and fixes quite arbitrarily the extent to which the immobilization may be carried.

SOCIAL JUSTICE is happy to present the accompanying quotations from Mr. J. L. Benvenisti's book, "The Iniquitous Contract." (Published by Burns Oates & Washbourne, London, England.) Mr. Benvenisti, educated at Westminster School and a scholar of Christ Church, Oxford, has been active for years in Catholic social work in England. Anent his work on Usury, the author writes: "It is my earnest hope (nay, my prayer) that I shall not be called a monetary reformer. Mere monetary reform will cure nothing, unless it is the natural and inevitable expression of a changed political philosophy."

If he has lent you $100 he demands $100 back on due date. So far so good—but in addition to that, he demands a fixed and definite plus that this $100 has been supposed to produce. In other words, he acts on the assumption that you have made the money which he lent you produce that plus.

Now, in order to be made fruitful, that $100 must have been exchanged for something else, and that something else may or may not, when the loan falls due, be worth $100. The money lender cares nothing for that; he demands both the fruit and the capital intact. If you cannot at a given point sell for $105 the product of the raw materials and labor that you bought for $100 and are endeavoring to combine into a new form of wealth, that is your affair. The money lender means to have his money just the same. He demands the profit on his money without entering into the conditions which are essential for that profit to be made, if indeed, it can be made at all.

Usury Becomes Modern Finance

In more primitive societies, money lenders do not evolve any elaborate theory to justify themselves. They quite frankly take advantage of the necessities of their fellow-men, and —as the Americans so pregnantly phrase it—it is just too bad for the fellow who has to borrow. As trade develops, as the speculative instinct takes the place of sheer necessity in inducing men to borrow money, usury, which was the original name given to this evil trick, changes its name and becomes finance.

In his earlier operations the detestable character of the usurer's trade is fairly self-evident. It needs no learned moralist to see that the man who lends the farmer money when his crops fail, exacts repayment with interest, and seizes the poor man's farm when he cannot pay, is doing an abominable thing, and **one which no society professing the Christian code of conduct can condone.**

If you tell people who have seen this happen to their neighbors, or had it happen to themselves, that the man responsible is a valuable public servant, and that his trade is the handmaid of industry, they will laugh at you and quite possibly kill you. They know too much.

But when it is not distress, but enthusiasm that is the operative factor in causing men to borrow, the case alters. In the general atmosphere of competitive stress, people lose their intellectual clarity. The hatred of the usurer remains, but the danger of the contract and the circumstances, which made it so inequitable seem to become less apparent.

Good Times Play Into Leaders' Hands

Things are working strongly in the usurer's favor. In four cases out of five in which he lends money, the borrower can repay the loan and make a profit sufficiently large to cover the interest, which the force of competition now compels the usurer to lower to a reasonable figure. The risks seem too slight to cause the borrower to resist the lure of easy money.

It is sometimes said that unless they are faced with distress, business men do not ordinarily get into debt. I wish I could share this optimism. In my experience business men do not in the least mind getting into debt. Business men, when they see the least chance of a profit, will get into debt with the light-hearted abandon of little birds in spring. The only thing that they object to is when the banker calls in the loan.

When, through an era of expanding trade, a society has lost its grip on the truth, it is not high interest alone, but the fundamental conditions of the money lender's contract, that make that contract a violation of the very elements of justice, then comes the usurer's great opportunity. It is then that he propagates his arch-lie, the lie of the fruitfulness of money.

Unlimited Profit Is Money Lie

Money, in itself, is a sterile thing. It is labor, time and risk that transforms it into real wealth. The essence of that lie is that a given combination of labor and goods must invariably produce a result greater (that is, of higher exchange value) than itself, and that if it cannot do so in one direction, it must necessarily be able to do so in another. Over a huge area of human activity, this does not apply at all. Subsistence and not profit is the rule. That which is used and consumed is only replaced. There is no increment, or if there is, it comes in such small quantities and so slowly that it is incapable of measurement.

What the money lender is in fact saying is that the phenomenon of profit can be indefinitely multiplied. But profit, like everything else can only be paid in food, goods and services. Yet the surplus of food, goods and services, over and above what is required for bare subsistence is necessarily limited. **If, therefore, the money lender exacts profit beyond what the community is yielding, he can only be paid by a diversion of the factors making for subsistence, or by depriving another money lender of his profit.**

"While many think the discussion turns on whether Shylock ma whether by virtue of his bond he may cut Antonio's heart out . . . Por ciple of justice." Trial scene from "The Merchant of Venice" pictured

This is in fact what has been l pening all over the world, the tory of the last centuries is the tory of a huge centripetal flo wealth involving in its turn a tinual separation of men from whereby alone they can live.

Lender's Contract On False Basis

The money lenders' contract, th fore, which stipulates both for fruitfulness of money and its re ability at due dates justifies itse two false assumptions:

(1) The stability in exch value of a given quantity capital while that capital is u dergoing the transformat necessary for the production wealth.

(2) The unlimited extent which the factors of product in any community may be m to yield profit, and the coroll of this assumption, viz., tha

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ıd interest, the question at issue is olizes the great counteracting prin-
; Galloway.

...Or, Is It Interest?

Uniform Small Loans Law Guards Business From 'Bootleg' Lender

Unregulated Lenders Exact Rates of from 120% to 1,200%!

No law has ever been made to compel one person to lend money against his will to another, and never can be without destroying the right of private ownership. Therefore, to arbitrarily fix by legislation a rate of interest applicable to every form of credit, in other words, to fail to differentiate between various types of credit extension, is to "rock the boat" of our credit structure to a degree that conceivably would make it impossible for one in need to legitimately borrow a penny, regardless of how great an emergency might exist.

Can anything possibly be clearer than that interest is almost invariably based upon the risk involved and can anyone offer a better standard for fixing rates?

It is an accepted formula, based upon centuries of experience in all the countries of the world, and so sound in principle as not to be susceptible of attack. It is by no means applicable to credit alone but to every phase of the business world, to the use of personal property for hire, to compensation for employment, to insurance, and the like.

Strict Laws Create "Bootleg" Lending

If by legislation which arbitrarily limits the rate of interest on all loans or which fixes the rate of interest in the numerous categories of the lending industry, it is made impossible for such institutions to exist, and they cannot remain in business without sufficient interest to absorb losses, it inevitably follows that "bootleg" lending promptly takes the place of that established under, and regulated by, law.

In the 21 states which have no small loan law, as well as in the states which, like New Hampshire, have established a maximum rate too low to permit small loan companies to grant small loans, the unlicensed lenders are the only source of loans for a large majority of all wage-earners. This fact is a condemnation of the states which have not yet protected those of their citizens who most need protection.

Usury Rates From 120% to 1,200%!

The lowest rate commonly charged by illegal lenders is 120% a year; the usual rate is 240%; and the highest rate is above 1200%. The rate is not the worst feature of the business.

The "Case for Interest" is herewith presented for this SOCIAL JUSTICE forum by H. Ralph Burton, Baltimore and Washington attorney, and a veteran worker for social justice in Maryland. Mr. Burton's article asks the question: "Is Interest Necessarily Usury?"

The usual aim of these lenders is to get the borrower into debt and keep him there. When the borrower attempts to pay off his debt, he is urged to renew his loan. Often, when he cannot pay, he is passed on to a company of another name owned by the same lender; and then he is charged, in addition to interest, a sizeable refinancing fee.

In case after case, a man borrows let us say $50, pays in interest $300, and still owes more than he borrowed! Resort of the victim to the courts is often of no avail. Indeed, illegal lenders **use the courts to collect their illegal levies.**

To be sure, a few lenders do their best, in states which have no workable small loan law, to supply the demand for consumer loans at fair rates.

Massachusetts Leads Clean-Up

An example of what can result from a state giving careful thought to the various phases of this subject is found in the instance of Massachusetts which has had the longest experience in this field. Under the Massachusetts law, every lender must take out a license. The maximum rate permitted on small loans is 3 per cent per month. No investigation fees, discounts, penalties, or extras of any kind are allowed. The result is that the loan sharks, who flourished 20 years ago in Massachusetts as they now flourish in some other states, have been replaced by reputable companies which obey the law.

In the last 20 years, 25 states have followed the example of Massachusetts despite attacks by the high rate lenders who subject state legislators to adverse criticism by those who do not know or refuse to learn the basic reason which prompted them to vote vote as they did.

Uniform Law For Small Loans

Commercial small loan companies, sometimes called "Personal Finance Companies," although among the most expensive, are in many respects the quickest and most widely available sources of cash loans. Operating under small loan laws devised to eliminate illegal and anti-social money-lenders, the licensed personal finance companies lend to urban borrowers in all occupations, and in all income classes above the poverty level.

The principal security for such loans is the borrower's promise to repay; that is why the loans are called character loans. It is true that security is generally required in the form of chattel mortgages on household furniture, or occasionally wage assignments, but these are taken mainly as a protection against borrowers who, though able, refuse to pay. In some localities loans are being made simply on the signature of the borrower.

Loans are limited, under the Uniform Small Loan Law, to $300. This restriction applies to no other consumer credit agency. A large proportion of the loans are less than $100, and some are less than $50. Many of the families which are in most urgent need of small loans find that their only safe sources of help are licensed personal finance companies.

In some states, the maximum that may be charged is 3½ per cent a month on the unpaid balance; in other states, 3 per cent a month; in two states 2½ per cent a month; and in a few other states, still lower maximum rates are fixed by law, but are ineffective. On loans above $100, rates lower than 3 per cent are obtainable in most large cities.

Bankers Cold To Small Borrower

A reason for discontent is inability on the part of people without resources to find assistance in times of emergency. It creates a desperate feeling and causes them very quickly to turn to radicalism. Take for instance a person who has no bank account, or only a few dollars in a savings account, and a need for funds suddenly arises. If they go to a bank they are refused either for the reason that they have no account and the bank, as always, requires security or endorsers, neither of which they have. Knowing that there are undoubtedly plenty of funds in the bank which are available to people who have resources or endorsers they become embittered.

If rates are placed by law at a point so low that the losses incident to the lending business cannot be covered and therefore the business cannot exist, where is John Q. Citizen who must meet an emergency to go for a loan?

It is certainly not a theory with him, not something for determination in the forums of the nation, but a burning question of the moment, a need then and there for money to pay for an operation, to provide food or to save foreclosure of his home. He cannot turn to a bank because he has no collateral. He can't turn to charity because there is no time to prove his need, no time for "case worker" to investigate, **or maybe he did not vote right.**

given quantity of capital can and should in all circumstances be made to yield a profit.

Thus we arrive at the secured reallable loan of the banker, which is today the King-Pin, not only of western economic life, but of every modern currency. It is in the writer's opinion, a violation of the most ordinary principles of justice.

Concentration Of Wealth an Evil

Certainly there are occasions when a monetary contract of loan is not inherently inequitable, and the fact that interest is drawn on the strength of such a contract, even in the absence of an extrinsic title, does not mean that the beneficiaries sin in receiving it. But to say that because such circumstances may arise, therefore every gainful form of money lending is just, providing that the interest is at a reasonable figure, is the logic of a lunatic.

Failure to arrest and attack this iniquitous contract has brought incalculable distress to the world at large. The great scourge of our time, the wastage and degradation of human lives through unemployment, arises from the great change which has increasingly restricted the access to and the ownership of the means of production. Concentration of wealth has been effected by other things than monetary control. But that contract of the gainful monetary loan, practiced not by bankers alone, but in different forms by the numerous body of bond, mortgage and debenture holders,

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War Fought With Fiction Dollar Loans

(Continued from Page 1)

Poland, through revaluation and repudiation, reduced her debt $69-billion.

France revalued the franc and in those years alone wiped out $33-billion.

Russia, even after her repudiation, revalued her currency to the extent of $24-billion in eliminated debt.

Austria, through revaluation and repudiation, eliminated $17-billion.

Italy, through revaluation of the lira, profited to the extent of $11-billion.

In this brief table $224-billion, out of the war debt of $311-billion, was wiped out through repudiation and revaluation.

World's Debt A Moral Question

When nations start the printing presses and turn out the bankers' bonds, bearing 4, 5, 6, 7 or 10 per cent interest and sell these bonds by the billions, few people realize **the impossibility of ever paying these bonds under any circumstance whatsoever.**

There is only one source, namely, taxes, by which bonds may be paid.

Men have wondered why God Almighty in the Old Law would reveal the necessity of establishing a year out of every 50 when debts would be cancelled. The reason for the "Jubilee Year" is found in an understanding of the morality of debt.

If men loan things those things may be returned, yet sometimes even those things cannot be returned. **No man is bound by the impossible.** The money loaned to prosecute wars is not even a thing, it is a fiction that taxes our imagination to understand.

By the stroke of a pen debts are created. Sometimes such debts are so enormous that they do not represent money. They are merely measured in endless figures with a dollar sign in front of them. They are definite, but not real.

Labor Highlights

SPRINGFIELD, ILL. — Speaking at a Labor Day mass meeting, Joe Ozanic, president of the Progressive Miners of America, recently accused the Committee for Industrial Organization and its leader, John L. Lewis, of seeking to destroy the American labor movement. Ozanic said:

"Today there is in America a so-called labor organization that is endeavoring to inject its poisonous fangs into the heart of the true labor union, with the sole intent and purpose of totally destroying the American Federation of Labor and the Progressive Miners of America, so that dictatorship and Hitlerism and Stalinism might dominate over and dictate the future policies of the worker. This poisonous, destructive and real labor-hating organization is the C. I. O. headed by one John L. Lewis, whose C. I. O. associates were branded by him publicly not long ago as being Communists and union wreckers, but now are being held by Lewis as great men and are on the C. I. O. payroll as organizers."

DETROIT, MICH.—The threat of a city-wide gas strike continues in the Detroit area as the feud smolders between the American Federation of Labor and the Committee for Industrial Organization. The feud started in earnest when the A. F. of L. refused to support a city election slate of U. A. W. members, but is being carried on by the Gas and By-Products Coke Workers, a C. I. O. affiliate. Ed Thal, secretary of the Detroit Building Trades Council, an A. F. of L. affiliate, in a recent letter to the secretary of the gas company warned him that his plumbers and steamfitters "will refuse to work" with C. I. O. gas fitters on any construction job.

WASHINGTON, D. C.—President Roosevelt recently signed a bill providing for a voluntary registration of the jobless and tabulation of data on part-time employment and job opportunities. The census is to be completed by next April 1, 1938. The bill authorizes the spending of $5-million of W. P. A. funds.

ORLANDO, FLA. — A determined union drive was launched by the C. I. O. as the citrus fruit packing industry opened its season. Any interruption by strike would mean a loss of thousands of dollars with these perishable crops. Organizers of the United Cannery, Agricultural Packing and Allied Workers of America, a C. I. O. affiliate, have been secretly at work for some time.

PITTSBURGH, PA. — National headquarters of the Steel Workers Organizing Committee has issued instructions to all organizers that any and all contracts that they are successful in obtaining must expire on March 1, 1938. **"We are doing it so all contracts will expire on the same day and we can bargain simultaneously with the leaders of big and little steel,"** the union announcement said.

EYES *and* EARS

(Continued from Page 4)

When President Roosevelt says that his government is one committed to a program of advancing the economic, industrial and spiritual welfare of our people, he blandly creates the impression in uncritical minds that government is in a position to do that.

The fact is that a government is no stronger than its people. Its moral reserves are no greater than the moral reserves of its citizenry.

It cannot increase the courage, industry, thrift, judgment or morality of its people—and in the final analysis those are the qualities that make individuals happy and prosperous and nations great.

As for the economic and industrial advancement of our people, the government cannot "create" one job for an unemployed man.

Jobs are created by men who devise ways and means of producing the things which other men want, at prices they can pay.

Jobs are created by the ambitious desire of individuals to till the soil and make it yield up its grain and fruit and vegetables.

Jobs are made by men who accumulate the fruits of their own labor or ingenuity to invest them in factories and tools and materials so that other men may have a market for their labor.

* * *

Politicians cannot and never have done these things successfully.

Politicians "make" jobs by hiring people to man their bureaucracies and their dole armies which live on the taxes taken largely from the man who labors.

Study our Constitution, study the writings and the speeches of the founding fathers and you will not find a single parallel to the paternalism of Roosevelt.

Government is an agreement between the members of society to institute instrumentalities whereby the general welfare may be provided for.

Government was never intended to and never can do the things that men and women are supposed to do for themselves.

When government provides "the advancement of economic, industrial and spiritual welfare" for the people, you have theoretical Communism and practical tyranny.

Mr. Roosevelt's interest in doing for our people those things they should do for themselves is sharply out of harmony with Thomas Jefferson's unconquerable confidence in the courage and character of our people, when he said:

"I have no fear but that the result of our experiment will be that men may be trusted to govern themselves without a master."

Modern Finance Based on Acceptance of Usury - - - - - - Continued

(Continued from Page 9)

has caused a steady gravitation of real wealth out of the hands of the producer into the hands of the money lender, and has thus enormously helped and accelerated the maldistribution of wealth, of this there can be no possible doubt.

One voice alone continues to speak clearly on the matter, **a voice to which those who profess obedience to it, fail most singularly to listen,** or, even when they listen, make its most telling and specific utterances coincide with an inexplicable hiatus in their attention. They will vaguely admit the "misery and wretchedness pressing so unjustly on the majority of the working class," but become conveniently deaf when Pope Leo XIII goes on to say that the mischief has been increased **"by rapacious usury which, although more than once condemned by the Church, is nevertheless, and with like injustice, still practiced by covetous and grasping men."**

If these words of the Holy Father do not refer to the great network of secured profit-bearing loans which today embraces our economic life, what in the name of Creation do they refer to?

World Worships The "Golden Calf"

This increasing slavery to the illusion of money is a symptom of social pathology, the significance of which we do not always appreciate because we stand in the midst of it.

When usury is prevalent in a community for a long time, when it is accepted and recognized as natural and right, when, that is to say, people come to believe in the Devil's supreme conjuring trick, which makes mere money appear to be fruitful, **the effect is weakening in our apprehension of the real world.**

It is not unnatural that people who have come to believe there is a sacramental character about money, which gives its holder the right to exact a permanent and secure tribute from the rest of the community, and makes his claim invariably outweigh that of the man who is actually making and handling real wealth — it is not unnatural that such people should have an altogether distorted idea of what money can do.

The number of professing Christians today is very small who see anything violently wrong in the fact that our state is one of universal indebtedness, that no business can be carried on without money profitably borrowed from one of a small group of professional money-lenders, that national money which should be a means of exchange and nothing else has now been replaced by credit money, a long commodity to be manufactured and withdrawn to suit the private gain of those who control it.

Christian Clergy Shrink from Fight

Most curious of all, the clergy, whose vigorous interaction with the lay mind should be the genetic force of Christian opinion, **show all too often on this subject the timidity of an excessive and regrettable discretion.** They will assert that these matters **lie outside their jurisdiction,** that the Church has sanctioned the taking of legal interest and that that is the end of the matter.

But that is very far from the end of the matter. For we are not here concerned so much with interest rates as with that characteristic of usury by which the lender secures a lien on and gradually absorbs the bulk of our real wealth. In other words, while they think that the discussion turns on whether Shylock may or may not in certain cases demand interest, the question at issue is whether Shylock shall or shall not, by virtue of his bond, be allowed to cut Antonio's heart out.

Surely nothing is more remarkable in the popular teaching of history than the suppression of the part played in the social transformation of the last two hundred years by tolerated usury and its offspring, "Dutch finance." The essence of the trick is to issue, in the form of profit-bearing loans, certificates or **promissory notes in respect of treasure which you do not actually possess.**

This was the principle on which the Bank of England was founded, and on which all banking since has been carried out. It is in reality not "Dutch" at all, but, though coming from Amsterdam, has quite another origin.

It is because we have lost that healthy "awareness" with regard to usury, nay, because we ourselves largely treat Shylock's principle of "money breeding money" as self-evidently justified, that we refuse to believe that he is capable of evil; Shylock today is a gentleman with a seat in the Senate. Consequently, poor Antonio's disintegration when forced on our notice must have been his own fault. It was due to drink, or betting, or Communism, or inefficiency, or, failing this, to economic necessity or the periodical trade cycle! Any theory except that Shylock may have had a hand in it! There is, in a word, a quite singular reluctance to see the facts of the case or to correlate, where usury is concerned, cause and effect.

Yet these two things have altered the face of the world more radically than the steam-engine or the telegraph. How many people even know that **modern bank money which has entirely usurped the functions of a currency is simply a system of profitable debt, that the whole human race lives and has its being in the toils of the money lender's net?**

The discovery is not new; the facts are obvious; Colbett saw them; Disraeli saw them, and both knew well enough what was their origin.

It is for this reason that Christian moralists, who should have made it their business to examine every inch of the field of modern financial methods, who should have been active in stressing the necessity of that great counteracting principle of justice, which Portia symbolizes; being held in perpetual readiness to operate, have impotently turned their back on these problems, have ignored the huge problem of world debt, and treated the whole question as though it were a sort of portent for one man to lend another $100.

The answer comes, **because we have forgotten what manner of man this Shylock is.**

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Labor's House Divided Against Self

Leaders See Strike Wave Next Winter

Review of Year Shows Workers' Solidarity Rent by Quarrel Between Union Factions

Looking back through a year of strife and turmoil, labor leaders agreed that the Supreme Court's decision on the Wagner Act topped the list of important developments affecting the American workingman, according to a Labor Day compilation by the Associated Press.

For nearly a century the courts have recognized the right of laborers to join unions and to bargain collectively with their employers. Not until the Wagner Act of 1935 was passed, however, was this right guaranteed by federal law. And not until the Supreme Court last May upheld the law's constitutionality was the federal government's power to do this removed from doubt.

Since the court's decision, labor has flocked into local unions of the American Federation of Labor and the Committee for Industrial Organization by the thousands.

William Green, A. F. of L. president, estimated the federation's membership at 3-million. The C. I. O., on the other hand, claims 2-million. The greatest membership that organized labor ever before had claimed was 4-million following the World War.

Labor's Strength Spent Quarreling

The break between the C. I. O. and the A. F. of L.—dividing labor's organized strength into competing factions, at a time when the solidarity of labor was never more important—was the second history making event of labor's year.

While the Committee for Industrial Organization, a new labor movement, was incubated in John L. Lewis' office on November 9, 1935, it was first started back in 1922, 1923, and 1924 by Wm. Z. Foster, leading American Communist executive. Lewis repudiated these ideas back in 1924, but subsequently adopted their methods. The C. I. O. remained a rebellious subsidiary of the American Federation of Labor until September 5, 1936.

Lewis, president of the United Mine Workers, and the heads of seven other unions had organized a Committee "to encourage and promote organization of the workers of the mass-production industries of the nation."

Leaders felt that the A. F. of L. with its policy of organizing labor by craft, would never be able to do this. They started out to bring all the workers in each big industry *into one big union, disregarding the* A. F. of L.

All See More Strikes in Winter

The Federation called this "insurrection" and ordered the C. I. O. leaders to "cease and desist" by September 5, 1936. They refused.

With their suspension, the C. I. O. leaders broadened their program, and enrolled workers wherever they found them willing to join. They formed craft as well as industrial unions.

The split has resulted in open warfare between the Federation and the C. I. O. Each has invaded the other's territory. Strikes and rioting resulted. Leaders on each side see little chance for peace but predict more strikes in the coming winter.

The C. I. O.'s greatest victory was the fact that United States Steel agreed to bargain collectively to the extent of their membership.

While the sit-down strike is a European importation, its first appearance in this country was in Akron, Ohio, several years ago, when rubber workers found it effective in enforcing their demands.

Not until January, however, did it come into any great prominence. A glass strike in Ohio spread to automobile factories in Michigan. The auto workers sat down. It was found that a few squatters on the assembly lines could stop production entirely. So could a few in parts plants.

General Motors Corp. plants were the first to suffer. As the strike spread, Lewis stepped in with a demand that the United Automobile Workers, a C. I. O. affiliate, be recognized as sole bargaining agency for all General Motors employes. After 44 days, he obtained an agreement only for the members of his own union, **which was what General Motors offered them in the first place.**

Next, the U. A. W. tackled Chrysler. After a month idleness, John L. Lewis obtained a similar contract. A wave of sit-down strikes spread throughout the industrial sections of the country.

Frances Perkins, the Secretary of Labor, gave them an official blessing by stating that **"the illegality of the sit-down strike" had not been proven.**

Courts held that these strikes amounted to illegal seizure of property and ordered sheriffs to evict the strikers from plants. But the officers, in some instances, found it virtually impossible to enforce the court orders.

Sit-Down Illegal, Public Condemns It

Newspapers voiced editorial disapproval of sit-downs and the Senate adopted a resolution condemning them. The fad had died down to a considerable extent when a Federal Court of Appeals in May ruled that sit-downs violated the constitutional rights of factory owners.

The C. I. O.'s first major defeat came at the hands of Tom Girdler, chairman of the Republic Steel Corp., and the heads of other independent steel companies in July.

Lewis had called a strike against the "big five" little steel companies. Mr. Girdler and his allies fought it out. Several persons were killed in riots.

Throughout the strike, Lewis urged President Roosevelt to call Girdler and the heads of the other steel companies affected to the White House and apply pressure on them to sign an agreement, but the President declined.

Another C. I. O. defeat was an ill-timed attempt to unionize the Ford Motor Co. Several organizers trespassed on Ford property in an attempt to distribute union literature. Ford workers promptly threw them off the property and several agitators were severely beaten.

Coast Again Threatened by Strike

A fight to the finish between rival union factions threatens to "close every port on the Pacific Coast."

Dave Beck, western leader of the A. F. of L. teamsters, said at Seattle that unless C.I.O. longshoremen ceased attempts to organize warehousemen, his union would extend its San Francisco waterfront blockade to all West Coast ports.

Last spring, shipping in San Francisco was tied up for 3 months with costs running into millions due to labor difficulties.

Henry Schmidt, local San Fransciso president of the Longshoremen's and Warehousemen's Union, was confident that if the matter were referred to the National Labor Relations Board for an election, his C.I.O. affiliate union would win overwhelmingly.

In the meantime, cargo continues to pile up on San Francisco docks as a result of the teamsters' blockade. Public opinion is in the middle. A patrol wagon load of baseball bat wielders are shown at Los Angeles police station. Picture by Acme.

Your Present Debt to the U.S. Government Is $440

On August 24th, the United States national debt passed the all time record of $37-billion. This placed the individual share of the debt of each man, woman and child in our country at $284. Adding the $156 per capita debt owed by the states, counties and cities, **your share of the national debt is $440!**

The reason for this may be seen when we observe how this debt was accumulated. From June 30 to August 20 of this year, for example, a period of less then two months, the federal government spent $1,077,717,347. During that same period it took in $751,505,788. The difference, or a total of $326,411,559, became a deficit that was added to the ever-mounting public debt.

Tax payments, high and numerous as they are, will not go to discharging that obligation, because taxes must take care of the expenditures that are already made at the present.

Little consolation may be found in the fact that European nations owe the United States a matter of several billions in war debts. For all that Europeans need do to get rid of their debt to our government is repudiate it. Citizens under our own government have no such choice, but must expect ultimately to pay their full share.

So if you cannot share with sympathy the views of Congressmen, who rant and rave at the idea of more compensation treaties for favored foreign debtor nations, of tax exempt bonds carried by our international bankers while our debt rises, of increased valuation on gold when we are "broke," or of crop curtailment and reduction while foreign countries are preparing surpluses, at least tolerate their sentiments.

A.F.L.-C.I.O. Feud Closes Lumber Mills

PORTLAND, OREGON.—The dilemma in which mill owners find themselves, between the cross-fire of the American Federation of Labor and the C. I. O. forces, has bogged down the logging industry throughout the entire Northwest.

Six weeks ago, the Woodworkers Federation, which includes the loggers and lumberjacks, followed its young Canadian president, Harold Pritchett, into the C. I. O. This move precipitated a struggle which threatens a virtual shut-down of the lumber industry.

Carpenters and building trades workers, both affiliated with the American Federation of Labor, say they will not handle C. I. O. lumber and a boycott is in effect in some regions.

There have been numerous fights and beatings. Each side contends that the other has resorted to violence. A. F. of L. members charge that the C. I. O. leaders are under direct Communist direction.

Leaders of the C. I. O. reply that the lumber boycott is ridiculous inasmuch as the union men applying it drive C. I. O. made automobiles, C. I. O. made glass, use C. I. O. produced gasoline and wear C. I. O. manufactured clothing.

The A. F. of L. has distributed pamphlets on the doorstep of almost every Portland home, charging that the C. I. O. is controlled by radical dictatorial groups.

A number of mills have been shut down and still more are faced with the necessity of closing as the supply of incoming logs dwindles.

N.L.R.B. Ruling Favors Strikers At Fansteel Co.

WAUKEGAN, ILL.—An echo of the sit-down strikes that swept the country last February was heard in the National Labor Relations Board report of Examiner Tilford E. Dudley. It is one of the first rulings dealing with the strikers' seizure of property.

Last February, strikers took possession of the Fansteel Metallurgical Corp. plant in North Chicago. The strikers repulsed local authorities who came to evict them on court order, but reinforcements later routed them with tea gas.

The federal examiner recommended that the company reinstate 83 employes who were not engaged after the strike. He also recommended that back wages totaling $70,000 be paid to 67 of these and that the other 16 be re-employed on a preferential basis. In the case of 10 others, he found that they had not been discriminated against.

Concerning the contention by the company that some employes were discharged **because they participated in the illegal seizure of the company property,** the report stated:

"It is clear that the Fansteel Corp. did not have a rule against reinstating employes who participated in the alleged seizure of its buildings, inasmuch as it employed over one-third of these people. It, therefore, appears that participating in the seizure and retention of the building was not the corporation's real reason for its failure to re-instate these employes. . . . The reason was their continuing sympathy with the union and its activities."

The concern said that it would contest the findings of the National Labor Relations Board.

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Tenancy Act To Help 2,375 Farm Families

With the adjournment of Congress, the interest of the farmer has turned to the administration of the acts passed during the last session. The Bankhead-Jones Tenancy act was one of the few farm measures passed by Congress this session.

During its first year of administration, the tenancy appropriation will affect less than one tenant for each county in the United States.

Only 2,375 farm families will be covered by the $10-million voted for next year, according to Farm Research in its August issue of Facts for Farmers. According to the Census, 42 per cent of all farmers, or 2,865,155 are tenants.

With tenancy increasing at the rate of 40,000 families a year, there will be 120,000 new tenant families in the next three years. Even if the three-year quota fund is finally given for carrying out this act, it will reach less than 20,000 families. There will be five new tenant families for every one getting any aid.

The census figures show an increase of tenants in the last half century.

Year	No. of Tenants	Perct. to All Farmers
1880	1,025,000	25.0
1900	2,025,000	35.0
1935	2,865,000	42.0

Real Authority on Farming Is Farmer

To the Editor:

I was born and brought up on the farm. I have spent the greater part of my adult years working that same farm for my living and occasionally the driblets of profit that could be saved. Though now retired from active productive work by reason of age, I am still living on the farm and off what it gives me or has enabled me to lay by from its infrequent lucky years. I think I know something about farming and farmers.

And the longer I live the madder I get over the way in which the "farm problem" is being muddled and muddled by unscrupulous office seekers, pettifogging politicians, professional mourners, half-baked "reformers" and pseudo-farmers themselves.

With all proper respect to the theological, psychological, biological, editorial and other self-appointed authorities who are exuding much breath and using up much paper and ink in their divagations anent the subject, it may still be said that the most of them simply don't know what they're talking about.

* * *

The only man who has any clear comprehension of the farm problem is the working farmer who is perforce compelled to tackle it every season.

That problem is not how to get rich off the farm. No farmer with any claim to common intelligence cherishes any such "pipe dream" as that. It is not to compete with the trader in piling profit upon profit. It is not to "keep up with the Joneses." It is not to have as gorgeous a car as the city banker.

It is at once much simpler and much more complicated. It is just this: How to persuade enough production out of a reluctant soil, in a fickle climate, against the strenuous competition of weeds and slugs and bugs and blights—how to "wrastle" enough together to keep himself and his family fed and clothed and housed and, with the aid of exceptional luck, add a few kopecks to the wad in the old stocking, as reserve for the traditional "rainy day."

This annually recurring problem the honest-to-goodness farmer meets, faces and—barring broken legs, earthquakes, hunter-set brush fires, July hailstorms and other chances—usually solves.

* * *

In achieving such solution he neither needs nor welcomes the advice of amateurs, nor the crocodile tears of humbugging politicians nor the gratuitous instructions of any callow bureaucrat at Washington. He may not know very much about it, himself, but he knows a million times more than any such "Job's comforters."

This is the case of the real farmer, the "dirt farmer," the farmer who farms his farm. With sorrow it must be admitted that there are many people camping on farms and calling themselves farmers who have no more right to that honorable designation than the grasshoppers that plunder the land. They may be miners robbing the soil of its accumulated fertility and putting nothing back; they may be mere speculators looking for suckers on whom to unload their holdings at a profit; they may be lazybones who expect 60 days' work on a wheat crop to enable them to loaf in luxury the other 300 days; they may be just ne'er-do-wells, born incompetents stagnating in the backwaters of their own futility.

It is to such as these that the A. A. A., with its prodigal payments for not farming, appeals. People of that sort seldom have highly sensitive consciences. The idea of being paid for not working is extremely attractive to them. They think little and care less by what confiscatory taxation of their neighbors Uncle Sam squeezes out the money, so long as they get it. They are the coyotes of agriculture, not so numerous in comparison with the total population, but capable, when hungry or disturbed, of howling louder and making more noise than an army with banners.

* * *

The simple truth, which every thinking farmer comprehends, is that the farmers of the United States are really the most fortunate element in the population. The city workman who lives in a rented tenement, who has to buy all his food, fuel and other needs, who relies upon the weekly pay envelope to supply the wherewithal, is brought face to face with actual starvation when for any reason, that pay envelope fails him. He has no anchor to windward. He seldom has even a back yard big enough to grow a bushel of potatoes. His only recourse is the breadline or the river, charity or suicide, or, what is more dreadful to honest men, theft.

On the other hand, the farmer who has as much as a couple of acres of land can, with reasonable industry and prudence, produce on them enough vegetables and fruit and cereals, etc., to turn the wolf of starvation baffled from his door. He may not have money enough to bless himself with; he may have to wear patched clothes; he may have to adopt a Spartan fare of beans and brown bread; he may have to clout his own shoes with cuttings from discarded rubber tires; he may have to do without sugar in his parched corn "coffee"; in other words, he may have to live on short commons and scanty rations.

But he won't starve.

And for that all-sufficient reason he, if he is a real farmer, is less inclined to grouch over his lacks than he is humbly to give thanks for his comparative good fortune.

The thing which makes me maddest is the arrogant assumption of the scheming political "bunko steerers" that the misfits, the stallers, the cry-babies, the I-won't-works are the true representatives of the farmers. The whole A. A. A. sideshow is staged for their behoof and benefit.

It is one of the mysteries of politics that the saner but less vocal majority should have so long accepted this insult without showing its resentment by the only action the ballyhooers can understand, viz.: a disgusted relegation of them to the rear ranks of private life.

—A. P. Hitchcock.

New Lebanon, N. Y.

Government Crop Loans Mean Price Assurance for Farmer

U. S. Share of World Cotton Market Lessened

Official figures show that the consumption of American cotton abroad has sharply declined for the last four year period. In 1933-34 every fourth row of the cotton crop was plowed under. The following year the control was lessened, but the drouth remained. Figures for those years tell the story of cotton consumption.

	Foreign Share (Bales)	U. S. Share (Bales)
1933-34	11,397,000	8,227,000
1934-35	13,959,000	5,965,000
1935-36	14,962,000	6,318,000
1936-37	17,500,000	5,400,000

Increase in foreign production shows the definite trend away from the purchase of American cotton. Foreign sales to the world market almost covered the foreign crop. The production of American cotton greatly exceeded its consumption.

	U. S. Prod. (Bales)	Foreign Prod. (Bales)	% of U.S. Crop on World Mkt.	% of Foreign Crop on World Mkt.
1932-33	13,000,000	10,000,000		
1933-34	13,000,000	13,700,000	63.3	83.2
1934-35	9,600,000	14,200,000	62.1	98.3
1935-36	10,600,000	15,900,000	59.6	94.1
1936-37	12,400,000	18,500,000	43.5	94.6
1937-38	15,500,000	19,000,000		

The countries which have taken over our market principally, are those in which the production and price of the crop is free from government control. Also cotton buyers from other countries are able to secure the produce by exchange instead of cash.

What Would Be Result of Rigid Crop Control Law?

The Secretary of Agriculture and the President have been asking — have been insisting upon — crop control, since the birth of the New Deal back in 1933.

Recently a group of Southern Congressmen, perceiving the ruination of their districts, by the drop in the price of cotton, went to the President asking him to prevent this, and keep the price up.

The President replied in effect: "I won't do it unless you in Congress give me a law, a crop-control law, by which Secretary Wallace and I can limit the amount of cotton grown."

We have been asked to accept the principle of national planning, national restriction, national scarcity.

Just what the acceptance of this principle would mean, is explained by Mark Sullivan, a writer for the New York Herald Tribune:

"Whatever crop-control law is proposed, if it is to be effective must have what former A. A. A. Administrator George Peek used to call 'teeth'. 'Teeth' means criminal penalties—it means put you in jail.

"We had the A. A. A. crop control for three years until the Supreme Court declared it unconstitutional. That early A. A. A. crop control was wholly voluntary. The administration offered the individual farmer money if he would reduce the acreage he had been planting in cotton. The farmer could take the administration's offer or leave it—it was purely voluntary. Some farmers took the government money and reduced their acreage. Some farmers did not — they saw the administration's purpose was to raise the price of cotton, and they took a chance on planting their usual acreage and selling it at the higher price the government would bring about.

"In the net, on the volntary basis, not enough farmers reduced their acreage. So then the limitation had to be made compulsory. The law was changed. Under the new system, in effect about a year, the government told every farmer just how much cotton he could raise. Secretary Wallace gave each farmer a quota—so many acres and no more. If the farmer raised more, he couldn't sell it—if he tried to sell it he was subject to criminal penalties; he would be bit by the legal teeth.

"Under that compulsion, the administration got the reduction it wanted; millions of acres were forbidden to cotton. But the farmers, not liking idle acres, looked about to see what else they could raise in place of cotton. A good many chose to raise potatoes. Thereupon there were too many potatoes. Now there must be potato control. So a potato control act was passed in August, 1935. The potato control law went farther yet—it had a double row of teeth. **Not only was the farmer to be put in jail if he raised and tried to sell more potatoes than the quota the administration dictated to him. In addition, the buyer of bootlegged potatoes was sent to jail, too.**

"Unfortunately — or fortunately—the potato control law did not live long enough to get into operation on a crop. It was passed in August and the following January the Supreme Court declared it and the rest of the A. A. A. unconstitutional. **America was deprived of the opportunity of seeing what America would do when the administration tried to put a farmer in jail for raising as many potatoes as he felt like,** and when it tried to put an American citizen in jail for buying potatoes from whomever he chose to buy them.

"That is what crop control by the government at Washington means. That is what crop control comes to. The first form of a crop control bill may not contain the penal feature. The first form of A. A. A. did not contain it. But the penal feature, the fine and imprisonment feature is bound to come, as it came in A. A. A."

When Money Is Loaned On 12 Cent Crop Farmers Know That Will Be Minimum Selling Price

Shortly before the close of the last Congressional session, Southern farmers advanced requests for loans on the cotton crop.

The "loan" is in reality more than the lending of money—it is a form of security for the farmer. He has the alternative of turning over to the government, when his loan is due, either the cash or the crop upon which the loan was based.

If the price of cotton, for example, rises to 14 cents after he had borrowed 12 cents on a pound, he sells his crop and returns the money, having made a profit of about 16 per cent.

If the market price is below the loan, he pays his loan in cotton and keeps the money. A loan from the government, however, practically assures the farmer that the market price will not go below that on which the loan was based.

The first cotton loan was made in 1933 at 10 cents a pound. Cotton prices soon climbed above the 10 cents and stayed there for the season. In 1934 the loan was advanced to 12 cents, and in 1935 reduced to 10 cents. There was no cotton loan in 1936, when prices averaged better than 12,7 cents a pound.

Loans totaling about $120-million on about 2 million bales of cotton were made in 1933, all of which was eventually repaid. The $300-million loan in 1934 covered more than 4,500,000 bales. About $186-million of this still remains to be paid back.

The first corn loan, in the fall of 1933, was at 45 cents a bushel. The farmers sealed about 270-million bushels for which they received $121-million. It was all repaid.

In 1935, $11-million was loaned at 55 cents a bushel, 20 million bushels of corn were sealed in cribs, and the total loan was repaid.

The loan rate on corn in 1936 was 45 cents a bushel, and the amount sealed was less than half that of the previous year.

U. S. Government Slowly Acquires Farm Mortgages

Who holds the farm mortgage now?

Recent figures of the Bureau of Agricultural economics show that the farm debt has shifted in the last several years, from the hands of private to federal government credit agencies.

On January 1, 1928, 12 per cent of the farm mortgages were held by the Federal Land Bank and 23 per cent by insurance companies. By 1935, the Federal Land Banks and the Land Bank Commissioner held 33 per cent of the total, while the insurance companies held only 15 per cent.

Banks held a smaller percentage of total in 1935, and individuals were less important creditors than in 1928.

Total loans of the Federal Land Banks in early 1933 were lower than in 1928, but during the following two years these banks increased their loans by almost $780-million, or 70 per cent.

A further decline in the total farm mortgage debt has taken place since January 1, 1935, due to foreclosures and distress liquidation. At the same time a further rise in the holdings of Federal credit agencies has occurred because of the F. C. A. The proportion of the farm mortgage debt held by federal agencies is now substantially higher than in 1935.

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The People Speak . . . .

Can't Be Leader In Religious Movement

To the Editor:

The knowledge I have obtained from Father Coughlin's broadcasts and in SOCIAL JUSTICE could not be had in any institution of learning. I not only read and listen but consider myself worthy of preaching your teachings, so far as the 16 principles are concerned.

You have several times stated that you welcome constructive criticism; I take it for granted that you welcome frankness as well. In this instance I shall consider myself your pupil, and be very truthful to my teacher.

I was born in Chicago, Ill., of white parents who were also born here, nationally French descent. I am not a Communist nor have I communistic ideas. Up to this day and for the past 20 years I have not attended church. I don't say this in a boastful manner, I just have a nasty habit of speaking the truth.

I have a three-page letter before me, dated July 1, 1937, asking me to act as moderator; rather than be a hypocrite I shall decline the appointment. I felt proud, but you made it impossible for me to accept the appointment when you termed the Social Justice Councils a religious movement.

I was a unit president of the N. U. S. J., a delegate to Cleveland. I shall not attempt to question your ability as a leader. But at this day and age, being regimented as we are, please do not start telling the membership that they must take orders from a lot of fakes. I repeat, please don't start manufacturing another army of little dictators, who interpret your teachings as they see fit.

You say get rid of the hypocrites, fakes, politicians. My friend, that is a very large order for so small a people!

—Roy P. Zace.

Chicago, Ill.

Writer Praises Carveth Wells Book

To the Editor:

For some time I have silently read this wonderful little paper SOCIAL JUSTICE. As one writer stated, many do not read the encyclicals. I regret this because they know not what they have missed. While I am not a member of the Catholic church, I am a member of God's family and very deeply appreciate the good work which Father Coughlin is carrying on for the benefit of all of us.

I have **never read anything from the mind or pen of anyone, so beautifully expressed as was the "Christian Philosophical Basis for Social Justice Councils."** If we practice this and search our own hearts we will have very little time left for the criticism of others.

Christians must be builders, and our labor the saving of souls. May we realize our own shortcomings and accept these basic truths in SOCIAL JUSTICE.

I happen to be familiar with the contents of the book "Kapoot" by Carveth Wells, quoted in SOCIAL JUSTICE on August 2. Would that all American citizens could procure a copy of the book and read it. They would no longer wonder why Christians abhor Communism. The second chapter alone would convince anyone that we do not want to be dominated by Moscow, and would explain why Father Coughlin can see the "red" side of certain activities here, in our U. S. A. He is diligently striving to awaken slumbering hearts to this loathsome outrage.

—Mrs. R. S.

Lacona, N. Y.

Offers Instruction To Another Moran

To the Editor:

Concerning his recent letter, I should like to challenge Mr. Daniel Moran of Boston, as one Moran to another.

I agree that not enough Christians familiarize themselves with the papal encyclicals. There never will be enough until all have done so. But Boston does not lack those who have not only read but understand the encyclical on "Atheistic Communism."

There are many, including myself, who would be more than willing to discuss it with Mr. Moran. If he will contact me by mail or phone (Columbia 2348) I shall meet him anywhere and at any time to discuss those things which he cannot understand.

I pray that God will inspire through that same encyclical those Christian clergymen who still sleep, that they may really become what they were ordained to be—leaders of the Church militant.

—Francis P. Moran.

Dorchester, Mass.

Hopes to Save C. I. O. From Reds

To the Editor:

I am a regular reader of SOCIAL JUSTICE, having read every issue since the first one published in March, 1936.

It is the only paper from which I am able to get the truth.

I like the C. I. O. letters that were printed in three issues recently. It certainly throws the light on what is going to happen. **Within a week or two after I read these things, I find that they happen just as SOCIAL JUSTICE said.**

I belong to the S. W. O. C. of the C. I. O. Not because I believe in the way it is run, but I had to join as our shop is 100 per cent union, and there was no choice for myself and a remaining few.

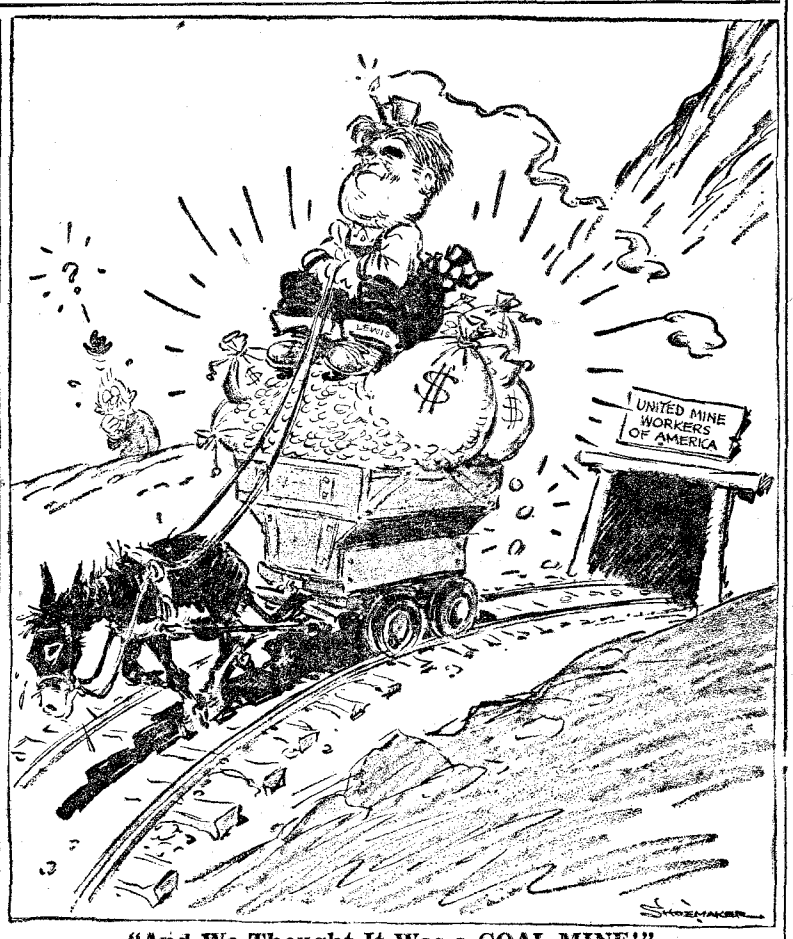
Politics in the union is going strong in Pittsburgh. The president of our local is running for the city council. They tried to endorse a man for mayor but the members opposed this.

I did not attend this meeting as I knew beforehand that it would be political, and I do not care for this kind of politics.

I should like to have a package of the pamphlets on the C. I. O. to distribute, and try to open the eyes of people before it is too late and the Communists take it over.

—Charles P. Fletcher.

Pittsburgh, Pa.



"And We Thought It Was a COAL MINE!"
—Shoemaker in Chicago Daily News.

Let Us Have Full Discussion

To the Editor:

A direct reply to Mrs. T. K. of Flint, Michigan, whose letter appeared in SOCIAL JUSTICE on August 9.

Just what makes you think that SOCIAL JUSTICE should be more careful in its criticism of the C. I. O.?

SOCIAL JUSTICE must stand out with social justice for all. If you and others feel that the C. I. O. is being criticized, then please study and restudy SOCIAL JUSTICE as I have. Then you will have no use for half measures.

If the C. I. O. union does not come up to the standards of social justice, then it must be criticized.

Why cannot the workers see that? Has the C. I. O. that much of a hold over them already? Just what future lies with the C. I. O.? So far it has not met our immediate problems. Intelligent laborers themselves know that they have not had any real benefit through it.

The C. I. O. has an ax to grind, and of course it must make a showing at first or even the dumbest of the dumb would wake up before things were sewed up securely. It is persons who blindly follow this move that give the C. I. O. more power for destruction later on. For that is surely where they will take us all.

So please, Mrs. T. K., be a little more careful in your criticism of SOCIAL JUSTICE, our main standby and teacher in these uncivil days. Because through it we shall win. Then not only your brother, but also my brothers, myself and thousands of other brothers could benefit, too. Criticize and bring to light all bad points. Praise, study and practice social justice, is my motto. Try it.

—E. A. Malies.

Berlin, N. J.

Worker Waits in Vain For Counsel From Church

To the Editor:

I used to sit and listen to Father Coughlin's wonderful talks on capitalism, money matters and his exhortations to us to organize.

Well, I joined the C. I. O., God bless it!

Now I am on strike—have been for seven weeks—on the picket line fighting for those same principles that Father enunciated over the air.

We have opposed to us the whole strength of combined capital. Tom Girdler, my employer, gets $70 an hour!

This kind, benevolent gentleman has used the national guard of Ohio, the city police, and together with his private arsenal is trying his best to break our spirit. A spirit which had been strengthened by the knowledge that our great priest and deliverer, Father Coughlin, was with me and my comrades still fighting on the picket line. How sadly disillusioned I am.

You say that I am a Communist, that the C. I. O. is going to usurp this precious government of ours and sovietize the good old U. S. A. In effect you condone the actions of Girdler because he is saving our precious religion from those horrible Communists.

I am a Catholic and I ask you in the name of God, to raise your voice in my behalf **against these murderers who are creating Communists faster than you can say Jack Robinson.**

Don't you see, can't you see, or won't you see that I and others are awakening to a realization that religion in the past, an ally of capitalism, is proving itself to be still its ally.

Don't you realize that a strongly unionized country is the best safeguard against this so-called terror of Communism?

When a man is recognized as a man by his employer, when that man is a union man receiving decent wages and living conditions, he won't be a Communist.

We are "Communists," Girdler screams, and you the champion of the suppressed, have patted him on the back, literally, by your silence.

Now what am I to do? Go back to work and be a scab, broken in heart and spirit by this mighty boss, and be a Communist; because assuredly I will be unless our rights are vindicated, or will the voice of the Church of God be raised against these capitalists who are the real enemies?

My foreman came to my home yesterday and told me to return to work soon or else.

The clergy will say or do nothing now, and then they will shake their heads and say, "There goes a man who used to be a good member of the church and look at him now, a Communist." But still they will do nothing.

—M. L. W.

Cleveland, Ohio.

Let's Keep After The REAL Issues

To the Editor:

I can see no reason to enlarge the Supreme Court if enlarging it means more laws of the stripe of the A. A. A., which legalized wholesale destruction of food so the hungry might be fed.

I would like to see the administration get after the money barons, **as was promised in 1932.** This racket is in direct violation of the Constitution, and it costs plenty! A billion in taxes every year while thousands lose their homes every year by the tax route.

Besides, to cure even a part of our troubles is going to take a generation of work and education, and if 15 men can then decide better than nine, the change can be made by c o n s t i t u t i o n a l amendment. There's plenty of time, as Mark Meechan points out in his column.

Let the administration attack the obvious, or even begin to and let the newspapers leave off with their keyhole-peeping and take up a real job. It has remained for Father Coughlin to take up the job, and be it said to his everlasting credit, he didn't dodge it as he could have.

—T. E. Magel.

South Bend, Ind.

Contest Winner Receives Car

To the Contest Editor:

I received my new car Tuesday last. I am so pleased I cannot express my feelings in words.

I want to thank Father Coughlin and the contest judges again for my good luck.

I hope every reader will enter the **"KNOW AMERICA" Contest.** I am urging everybody I can to take part in these contests. The education gained from them cannot be acquired even in our great colleges.

You may print this letter in SOCIAL JUSTICE if it is any use to you and I hope those who read it will take advantage of the opportunity to get into the **"KNOW AMERICA" Contest** and win a prize as I did.

Sincerely yours,

—Mrs. Effie Cannell.

Hallstead, Pa.

Editor's Note: Mrs. Crannell as winner of the third prize in the recent "KNOW SOCIAL JUSTICE" Contest was awarded $400 in cash and a new Plymouth sedan. Second and third place winners were given their choice of a Ford, Plymouth or Chevrolet car; both chose the Plymouth.

Bankers' Sons Not In the Front Line

To the Editor:

When I saw the picture of the tricky bank statements in a recent issue of SOCIAL JUSTICE, showing the J. P. Morgan Co., the Guaranty Trust, and the National City Bank, it made me think of how they cooked up the last war and are getting ready for another.

Perhaps at this very moment there are gold star mothers who are putting their savings into the same lthy murderous hands that made it possible for their sons to be blown to pieces and ground in the bloody mud of France.

Very few people realize that **it would take 48 days of continuous marching eight abreast marching one foot apart behind one another to pass all the men killed in the last war, approximately 10,000,000 men.**

The bankers create war, but I have never heard of an international banker's son going over the top at 4 o'clock in the morning to breast a razor-sharp bayonet. They stay at home and become millionaires from the blood money which they get from the huge war profits, while our sons were left on the battlefields of France. They will be forever in my memory. —H. J. C.

Roxbury, Mass.

Canadian Thanks Social Justice

To the Editor:

It is some time since I began to read your paper and though remiss in thanking you, I take this occasion to do so.

Your exposition of the American —and by inference, the Canadian— situation, is enlightening; your treatment of the C. I. O. is temperate and reasonable; your analysis of the money problem is clear and disheartening.

Your paper has done much here to clear up the current misunderstanding about the court packing bill. These things and many others make your paper interesting and instructive.

—Cletus Sego.

Regina, Saskatchewan.

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Will It Mean Anything To You When More Than $7000.00 in Prizes Go Out?

QUESTIONS FOR THIS WEEK

Picture No. 27 **Picture No. 28**

Make Your Selection by Number from Following Lists:

1. California.
2. Florida.
3. Maine.
4. Oregon.
5. Texas.
6. Wisconsin.
7. South Carolina.
8. New Mexico.

1. To make the United States an imperialistic nation.
2. To place supreme sovereignty in the hands of the federal government.
3. To make the United States an agressor against other nations.
4. To make the United States a pacifist nation.
5. To prevent centralization of power in the federal government.
6. To establish the Supreme Court on a permanent basis of nine justices.

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN
NOT NECESSARY TO RETURN PICTURE KA
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 27 For Question No. 27 I Select Answer No..... ☐ No. 28 For Question No. 28 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

An Extra Coupon for a Friend or Relation

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN
NOT NECESSARY TO RETURN PICTURE KA
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 27 For Question No. 27 I Select Answer No..... ☐ No. 28 For Question No. 28 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

Rules of Contest

1. Open to all readers of SOCIAL JUSTICE except employes of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, June 21, 1937. Each picture contains a question dealing with a live economic or social problem affecting the United States during the current year.
3. A Grand Prize of $2,750.00 will be awarded to the reader of SOCIAL JUSTICE returning the best or most appropriate answers to the 50 questions, such answers to be based upon the viewpoint of Father Coughlin as expressed in the columns of SOCIAL JUSTICE or in his public utterances. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in the order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly Coupon; and to obtain at some time during the Contest one NEW yearly subscriber to SOCIAL JUSTICE at $2.00 per year. The remittance of 10 cents in coin and the effort of obtaining the subscription is in payment for a handsomely illustrated 105-page book descriptive of the Shrine of the Little Flower. Purchase of this book, which will be delivered after the close is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for Coupons arriving unduly late. By entering the Contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome
6. In event of ties additional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do NOT decorate Coupons. Neatness will NOT count.
8. Any inquiry the reply to which could not affect outcome of Contest will be acknowledged.
9. A contestant may send in any number of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set, and one yearly subscription for each set submitted will be entitled to one book for each set.

ADDRESS—

"CONTEST EDITOR"

SOCIAL JUSTICE

ROYAL OAK, MICH.

How To Proceed As A Contestant

1. Study the questions. Mark your selection of the best or most appropriate answers on the Coupon below the picture and send in EACH WEEK with 10 cents in coin (not stamps).
2. If you wish, you may pay up in full, $2.50 NOW, and then send in your weekly Coupons without further remittance.
3. Each question will pertain to a live AMERICAN ISSUE discussed in the columns of SOCIAL JUSTICE. One of the list of suggested answers underneath each picture will be the best or most appropriate FROM THE VIEWPOINT OF FATHER COUGHLIN AND THIS WEEKLY ON NATIONAL SOCIAL AND ECONOMIC ISSUES. It is your job, as a contestant, to try to select that particular answer.
4. Each contestant who completes a fully qualified set of 50 answers will receive, without further cost, a handsome 105-page souvenir book descriptive of the Shrine of the Little Flower at Royal Oak, with 63 beautiful illustrations.
5. In order to qualify for the prizes, a contestant is required to remit $2.50 for each complete set of solutions submitted, and also to obtain one NEW yearly subscriber to SOCIAL JUSTICE at the annual subscription price of $2.00 per year. This subscription may be sent in at any time during the 25 weeks duration of the Contest.
6. If you run more than one set of answers, be sure to mark your sets "Set 1," "Set 2," "Set 3," etc. Each set stands alone in the judging. Coupons are NOT taken from one set to fill in bad "holes" in another set.

READ RULES CAREFULLY AND ENTER TODAY!

Steadily—steadily—steadily our "KNOW AMERICA" Contest is moving up to the last week.

It won't be long now before 335 readers of **SOCIAL JUSTICE** are made happy by the distribution of another harvest of prizes—more than $7,000.00 worth.

Will it mean anything to you when the telegrams go out announcing the gladsome news to the winners?

You realize, don't you, that you can be winner of the Grand Prize of $2,750.00 as easily as any person in this great national competition?

Only fifty questions to answer — fifty simple questions concerning your country.

Whether you are a business man or woman, a professional practitioner, a farmer, a tradesman, a laborer, a housewife, a clerk, a stenographer, or a student—

YOU CAN WIN $2,750.00 AS READILY AS ANY OTHER CONTESTANT.

BUT YOU MUST ENTER IN ORDER TO WIN!

Get in while there is yet time. Send today for all past pictures which have appeared in the great contest.

You can get these pictures by filling in and mailing the "Past Pictures Coupon" on this page.

That's your "ticket." Use it NOW!

YOU CAN WIN IF YOU ENTER

Grand Prize $2,750.00

Second Prize $1,250.00
Third Prize $500.00
Fourth Prize $200.00
Fifth Prize $75.00

10 PRIZES OF $50.00 EACH — 100 PRIZES OF $10.00 EACH
20 PRIZES OF $25.00 EACH — 200 PRIZES OF $ 5.00 EACH

Fill In This Coupon and Mail Today

CONTEST EDITOR, SOCIAL JUSTICE

ROYAL OAK, MICHIGAN.

I wish to enter the **"KNOW AMERICA" Contest** at once and be on an even footing with all other contestants.

Please send me free of charge, all Past Pictures which have appeared up to date.

Name .....

Address .....

City .....**State** .....

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Federal Reserve Puts Out Neat Pamphlet to Confuse Truths of 'Money' Book

By the Financial Editor Of SOCIAL JUSTICE

The privately owned Federal Reserve System, no more "Federal" than the "Federal Bakery" or "Federal Laundry," has resorted to one of the choicest bits of bankers propaganda that has come to attention in a long time. Obviously, it is a belated attempt to counteract the ever-widening influence of Father Coughlin's book entitled **"Money: Questions and Answers."**

Under the Federal Reserve System, the country is divided into 12 districts, and a Federal Reserve Bank is located in each key city to serve the surrounding territory. The 12 Federal Reserve Banks are located in New York, Boston, Philadelphia, Chicago, Cleveland, Richmond, Atlanta, St. Louis, Dallas, Minneapolis, Kansas City, and San Francisco.

In order to obtain wider circulation and laugh off the idea **that a handful of powerful bankers control and dominate the policies of the Federal Reserve System,** they have issued beautifully engraved pamphlets. The frontispiece shows an engraving of the district Federal Reserve Bank.

We have been honored with a booklet of the Chicago district.

Reader Deceived By Fractional Truth

The foreward is a gem. It very modestly states "Many inquiries are received by the Federal Reserve Bank of Chicago regarding its organization and functions. For the benefit of those who are interested, we present herewith a brief discussion of the bank and its activities as a part of the Federal Reserve System."

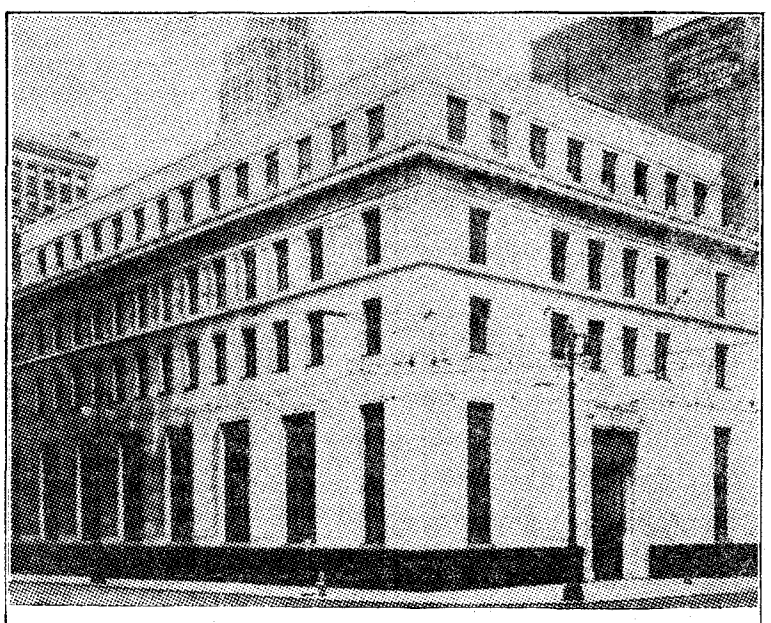
No doubt, many of the inquiries were sent in as a result of the education of Father Coughlin, both over the air, in his book and in SOCIAL JUSTICE. And it is brief! In fact, it is so brief that it doesn't tell the story. Page 23 takes the Blue ribbon for brevity. We reproduce it elsewhere on this page. The picture, incidentally, is that of the Detroit branch of the Federal Reserve Bank of Chicago.

The reader will note that the page is in question and answer form as **"Money: Questions and Answers."**

The question is **"Does the Federal Reserve Bank Coin Money or Regulate Its Value?"** Their answer is:

"No. Metallic money is coined in the mints of the United States government, and paper currency, including the Federal Reserve Notes of the 12 Federal Reserve Banks, is prepared by the United States Bureau of Engraving and Printing, both under the direction of the United States Treasury. The power to regulate the value of money rests in Congress, but Congress has authorized the president to fix, within certain limits, the amount of gold constituting the dollar."

A Page From Bankers' Book



of its own. That of the Federal Reserve Bank of Chicago is 7G, to represent the 7th district.

Does the Federal Reserve Bank Coin Money or Regulate Its Value?

No. Metallic money is coined in the mints of the United States Government, and paper currency, including the Federal Reserve notes of the 12 Federal Reserve banks, is prepared by the United States Bureau of Engraving and Printing, both under the direction of the United States Treasury. The power to regulate the value of money rests in Congress, but Congress has authorized the President to fix, within certain limits, the amount of gold constituting the dollar.

The above page from a question and answer pamphlet issued by the Federal Reserve System gives the bankers' answer to the constitutional right of Congress to coin and regulate money, so familiar to readers of SOCIAL JUSTICE. Note the use of the term "metallic money" in connection with the verb "to coin." Every paid propagandist for every financial page in the country resorts to the same trick.

Compare Answers To Same Question

We must admit that that answer only reflects the audacity and the cunning of the bankers in their attempts to keep the people in the dark.

For a complete refutation of this misrepresentation, the reader is referred to the clear and simple answers of Father Coughlin's book, **"Money: Questions and Answers,"** and especially to the August 2nd issue of SOCIAL JUSTICE.

It must be borne in mind that there are three types of money: metallic money — pennies, nickles, dimes, quarters, halves and dollars; currency — which is the billfold money, $1, $5, $10, and $20 bills; and bank-manufactured money, commonly called bank credit or credit money.

Currency constitutes only about 5 per cent. Business is carried on by means of bank credit. In other words, 95 per cent of our total business is carried on with bank-manufactured money. There is not a word about this in the Federal Reserve pamphlet; nor how they can contract and restrict credit money and thus have a throttle hold on industry, commerce, and all business and the people in turn. Not a word about how this bank-manufactured money **has been substituted for actual national currency.**

When the Federal Reserve System pamphlet states that "paper currency is prepared by the United States Bureau of Engraving and Printing," it is another half-truth. Who directs the printing of the money? Who authorizes it?

Biggest Story Left Untold

The pamphlet doesn't tell you that member banks of the Federal Reserve System obtain Federal Reserve Notes from the United States by sending to the United States Treasury government bonds to the face value of the number of $5, $10, etc., bills desired. The Treasury places the government bonds in sealed containers on which is labeled the name of bank. The bank receives from the Bureau of Engraving Federal Reserve Notes to the full value of the bonds sent to the Treasury, at a cost of 30 cents per thousand bills! And the local banks issue these Federal Reserve Notes to their customers as currency.

The Federal Reserve System pamphlet doesn't tell you that while these Federal Reserve Notes are in circulation, the bank which pledged the bonds, collects the interest coupons (which are tax-exempt) from the bonds sent to the United States Treasury as collateral for the Federal Reserve Notes, **but they pay no interest on the currency they receive from the Treasury!**

Searchlight on the Money Changers

Bankers' Letter Indicts "Dictatorship"

BOSTON, MASS.—The First National Bank of Boston, in its current New England letter, says "During the emergency Congress surrendered to the executive substantial control of federal expenditures. The emergency has now passed and such occasion as there may have been for this no longer exists. In the meanwhile, federal expenditures have gotten out of hand, particularly those under executive direction under the guise of relief and recovery. As recovery has progressed, these expenditures have inexplicably increased."

The letter then goes on to point out that federal expenditures under direct executive control amounts to over $4-billions.

"These vast outlays place a terrific tax burden **on the workers who must produce the national income,** for out of national income these outlays must eventually be met. But over and above this enormous burden is the potential threat to our form of government in the method by which these expenditures may be made. These great sums are being disbursed from Washington for local purposes by bureaucrats unfamiliar with local needs, subject to political pressure and even personal whim and caprice and with no responsibility to local authorities chosen by the electorate. Along this road lies dictatorship!"

Banking Group To Get Cord

NEW YORK, N. Y.—The Cord interests are scheduled to be taken over by a banking group. E. L. Cord of Chicago, controller of automobile, aviation and shipbuilding interests, is expected to relinquish his extensive holdings into the hands of a group comprising Emanuel Co., and Schroeder, Rockefeller & Co.

These banking firms, according to reports, have no intention of re-offering publicly the shares of the Cord Corp. to be acquired by them. They are to appoint L. B. Manning, for years an associate of Mr. Cord, to take full charge of its affairs.

The Schroeder mentioned is a representative of J. Henry Schroeder, the international banking house of Germany, with a representative on the board of directors of the world-controlling Bank of England. Chalk up one more victory for the international bankers!

Borah "Crimps" Receiver Racket

WASHINGTON, D. C.—Little publicity has been given to the Borah bill which recently passed Congress. It was a far-reaching measure and should accomplish a lot of good. The bill is aimed at two odious practices in connection with receivership and bankruptcy proceedings. It stops private fee-fixing among accountants, organizers of so-called "protective committees," and lawyers, which was a juicy source of income to unscrupulous operators. It also was successful in directing a much-needed blow to nepotism—hiring of relatives—by prohibiting any federal judge from appointing any receiver or trustee related to him.

As Senator Borah told his colleagues: "when a corporation is in financial straits, by the time the lawyers and political favorites are finished, nothing but a carcass is left for the owners and creditors."

While this bill will do much to curb racketeering in bankruptcy proceedings, it does not reach the heart of the problem. A few powerful men who compose our money ring can still put a solid corporation on the rocks because it will not bow down to their dictates. Laws are aimed at the effects—not the cause.

In Any Case It Was a Lot

WASHINGTON, D. C. — There seems to be considerable controversy as to the actual amount of money appropriated by the last Congress. Of course, there is only a difference of a couple of billion!

John Tabor, ranking minority member of the House Appropriations Committee, says the session authorized $10¼-billion. Clarence Cannon, acting chairman, put the figure at only $8½-billion, while old Carter Glass, the notorious middle of the roader and co-author of the iniquitious Federal Reserve System, runs true to form and says: $9½-billion.

It depends, evidently on whether one looks at the expenditure through Republican, New Deal Democrat, or Anti-New Deal Democrat field glasses.

Rumblings Rock Hearst Empire

WASHINGTON, D. C. — The far-flung financial empire of William Randolph Hearst had another prop kicked from under it recently when the Securities and Exchange Commission "permitted the Hearst organization to withdraw" two registration statements filed under the Securities Act of 1933 in March, 1937, and covering proposed bond issues amounting to $35-million to refinance Hearst Magazines, Inc., and Hearst Publications, Inc.

Announcement of the withdrawal of the statements was made by the S. E. C. without comment. None was needed.

Immediately, Hearst Publications, Inc., gave out the following:

"The market for industrial debentures was turning less favorable at the time of filing and has continued less favorable. . . . **Our underwriters have, therefore, not been able to market the debentures at an interest rate and at an underwriting commission which we considered attractive. . . .**"

The plain facts in the case are that there were no takers.

Hearst's pet newspaper, the New York American, running at a tremendous loss, folded up on June 25, and the Rochester Journal and Sunday American five days later. Universal News Service has been merged with International News Service.

There are further reports of Hearst combining the Los Angeles Examiner with his Herald and Express of that city. Recently, he leased out both of his Washington, D. C., papers for five years. The Chicago Herald and Examiner recently cut wages and fired 27 employes, while in Baltimore, Hearst discharged 65 workers without warning to cut expenses.

Hearst has refused to finance any more pictures released through Warner Brothers of his protege Marion Davies. Her pictures have been "flops" from a box-office standpoint, Hollywood reports.

Circulation slumps have overtaken many of the Hearst papers. The Hearst headline hunters have alienated more and more intelligent readers who demand that, at last, the stories support the screaming headlines written for them. Always a weakness in modern competitive journalism, this "yellow" streak of paper-selling headlines unsupported even by the exaggerated news items which they caption, has run riot in many Hearst newsrooms.

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No Recovery Without Financial Reform

SOCIAL JUSTICE

Father Coughlin's Weekly Review

5c Per Copy

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Action on Money Bill Due In Next Session of Congress

Editorial - - Continued

(Continued from Page 1)

bishop Mooney of Detroit and for the conveniently absent Father Coughlin himself. Msgr. Ryan in this case had the collaboration of Hearst's "character wrecking crew," of whom we've also heard before.

By "International News Service" in Hearst papers and over the radio from news broadcasters, the nation heard this:

"PORTLAND, ORE., September 9.—Curtailment of the political speaking activity of the Rev. Charles E. Coughlin, Detroit radio priest now in Europe, by Archbishop Edward Mooney, new head of the Detroit archdiocese, was predicted today by the Rev. Monsignor John Augustine Ryan of the Catholic University, Washington, D. C.

"Mons. Ryan said yesterday that the radio priest, in Europe because he was tired, probably 'will stay in Europe indefinitely.'

"Mons. Ryan explained:

"'I think he will stay tired. He has a new bishop, one who will treat him fairly but who will stand for no foolishness.'

"Mons. Ryan, Roosevelt supporter during the 1936 presidential campaign, opposed Father Coughlin's anti-Roosevelt speeches."

* * *

IT ought not be necessary for **SOCIAL JUSTICE** to explain that Msgr. Ryan is not a spokesman for Archbishop Mooney. Msgr. Doyle of the Detroit chancellory office explained to the newspapers that Father Coughlin is in Europe by permission of Archbishop Mooney, and charitably added: **"We cannot discuss here any statements made by Monsignor Ryan."**

When, however, the very reverend monsignor prophesies that Father Coughlin **intends to remain in Europe,** he speaks for Father Coughlin—and this is going far even for Monsignor Ryan. He is right about Father Coughlin being tired. Perhaps one of the things that made him tired was Monsignor Ryan.

The reverend board member of many peculiar American organizations, and zealous New Dealer, is still smarting under the nation's laughter at Father Coughlin's radio rebuke for a "Right Reverend Politician." But, prior to Father Coughlin's absence from the country, the monsignor's remarks had been confined to the question period following his public addresses.

Msgr. Ryan's prediction of Father Coughlin's banishment from America takes on the character of **wish thinking.** Without a doubt, Msgr. Ryan fondly hopes that Father Coughlin will stay in Europe indefinitely.

* * *

THERE is, of course, no forecasting what additional "sniping" will appear in the public prints by the time this edition of **SOCIAL JUSTICE** reaches the reader. In Father's absence, and upon our own responsibility, the editors make note of these "behind-the-back" attacks in order to "preserve the record."

It is unfortunate that Father Coughlin is not here to help still the resentment of the laity that is bound to be aroused by the wide publication of Msgr. Ryan's unkind comment. Informed readers of **SOCIAL JUSTICE** will give all these attacks their value; but readers of the newspapers, unfortunately, are not so safeguarded.

Demand Puts Pressure on For Reforms

Crusaders May Expect "Smear" Campaign; It's An Old Tactic of The Money Powers

By Robert H. Hemphill

The avalanche of monetary and banking bills introduced during the last days of the first session of the 75th Congress is a heartening indication of the constantly widening realization that all our maladjustments are hinged to our fluctuating supply of the imaginary money—bank credit—with which we transact our principal business.

Already our leading newspapers are predicting that monetary and banking reform will have a major place in the next session of Congress, and soon we will no doubt be sprayed with a campaign of propaganda decorated with the phrases "tinkering with the currency," "the gold standard," "printing press money," "the quantity theory of money," and other shopworn scarecrows of the paid propagandists who will attempt to intimidate an uninformed public against any decisive struggle to achieve economic liberty.

Our history has been illuminated by periodic struggles to free ourselves from the grasp of the money changers. The last great one was in the 1890's when a group of patriotic men, realizing that the power to issue a workable substitute for money—bank credit—was endowing a group of shrewd and predatory bankers with an unbeatable advantage over the producers, the genius and labor of the country, and that, unless such a power was promptly checked, the group would, with this substitute for money, acquire all our most valuable and essential utilities. Their worst fears have been realized.

Honest Crusaders Smeared by Press

These patriots made a terrific struggle, but the "money power" was already too firmly entrenched. It controlled too many newspapers, too many colleges, too many professional economists, too many members of Congress. The patriotic men who were waging this war against entrenched greed were held up to ridicule and smeared with every catch-word appellation which the shrewd publicists of this money trust could invent. The layman, with this sort of propaganda shot at him from every angle, finally and sorrowfully accepted statements which, down deep in his heart, he really did not believe to be true, to avoid being classed with these crusaders who had been branded as visionary radicals, by a subservient or intimidated press.

Every assault on the strongholds of money meets similar treatment. The most skilful slanderers—writers who are masters of effective language — prostitute their talents for the pay of these predatory parasites, who contribute nothing to society, but by the most vicious intrigue perpetuate their unholy power over the lives and fortunes of their fellow men, and rob genius and labor of the rightful fruits of their industry.

Let me explain just what bank credit means and what a "racket" commercial banking is.

10% Reserve Is Sign of 'Racket'

Under our laws, commercial banks have to keep in cash a "reserve fund" of 10 per cent of their demand deposits — checking accounts. The amount of required legal reserve varies in different localities but 10 per cent is about the average.

That simple statement, which means little to the average man, conceals the essence of this outrageous racket.

What it really means is this—if you and I organize a bank for one hundred thousand dollars capital, paying in this capital in cash, the law gives us immediately the right to loan and create one million dollars in deposits! We do not need to have the million dollars in cash or in any other assets. All we need is the one hundred thousand dollars capital.

Our borrowers give us their notes and we give them "credit" on the bank ledgers. These credits are thereafter "deposits" just as though the borrower had deposited that much real money. He then draws checks against this deposit and the person who receives the checks deposits them and we credit their deposit accounts and charge the "deposits" of the borrower, which we have created out of nothing.

Country Operates On Imaginary Money

The law has made us a present of one million dollars. It is synthetic money but it will buy anything real money will buy.

You and I pocket the interest on this one million dollars of imaginary money. It belongs to us under the law. Nearly all the business of the country is transacted on this imaginary money created by a small group of smart people who have discovered the only legal way ever invented to get something for nothing.

We may go a lot further. **We may demand of our borrowers not only that they pay us interest on this fictitious money, but that they also give us a share in their business as a bonus for making the loans.** In that manner, in the course of a few years, we will own a share in almost every business in the community without contributing a dollar.

We may go still further. We may demand mortgages on their property or business as security for their notes for this imaginary money which we create with a fountain pen. If they are unfortunate and fail to pay their notes at maturity **we may foreclose and take over the property or business.** It does not cost us one red cent. In time we will, by this amazing racket which has the sanction of law, come into possession of most of the valuable property in the community.

Can Take Over Successful Business

We may go still further than this. We may loan this imaginary money to a man who has a prosperous and valuable business which we would like to own if we could steal it. We may then, at a critical time, call his loans—demand payment. He is immediately in a panic. He tries to borrow elsewhere but the mere fact that we, the "conservative" bankers, are pressing him discourages other possible lenders and he goes bankrupt. We then get judgment against him and at bankrupt sale take over his profitable business (usually in the name of some crooked associate or corporation) at less than the face of his note to us and not only rob him of his business but retain a judgment against his future earnings or estate for the difference between the bankrupt sale price of his property and the face of his note.

We may go still further. Whether we remain little bankers and steal a million or so, or graduate into the big city banks and steal railroads and big essential industries and utilities, by any one of the several methods above described and such endless variations of them that their recital would fill a book, we may introduce new policies of "economy" and "conservatism" in their management by reducing wages to a starvation basis while we are giving out interviews on the value of honesty and integrity and confidence in business and government.

But we may go still further. After we have created and loaned our share of this synthetic money—this great revolving fund of bank credit upon which our vast and complicated agricultural, industrial and commercial system is founded and operates, we together with our fellow bankers **can bring it to disaster by suddenly withdrawing this deposit currency from circulation—producing nationwide unemployment, suffering and distress, as was done in 1929.** From this wholesale wreck of business, we will emerge with most of the wealth which has been created in the previous prosperous period.

And when we have grown weary of robbing our fellow men we may turn to front page philanthrophy and donate large sums to charities and to churches and educational institutions.

And then, at the end of a long trail strewn with wrecked lives and ambitions, of broken hearts and bankruptcies and suicides, we may die and go down and fry in hell with the other deceased members of the American Bankers Association, while the intimidated newspapers who still owe our bank money, will print columns of dribble about our integrity, our philanthrophy, our charity, and our upright lives, and the great loss our demise means to the community.

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